

To: Canaan Planning Board

January 28, 2011

From: Capital Improvement Program Committee

Subject: Capital Improvement Program 2011-2016

INTRODUCTION This 2010 Capital Improvement Program Committee (CIPC) report presents Canaan's Capital Improvement Program for the years 2011-2016. It contains capital projects submitted by town departments and, on occasion, other organizations that support town activities. A short description is included for most of the projections.

This report is normally submitted for approval by Canaan's Planning Board and presented to the Select Board and the Budget Committee in early fall in time for town budget preparations for the upcoming fiscal year. It is intended to provide a long term, six year context for the following year's budget. However, after the arrival of Canaan's new Town Administrator in July of 2010, there was a delay in receiving inputs from the Town departments until the Town Administrator completed preliminary budget discussions with the department heads. The resulting capital expenditure projections, though tardy, represent thoughtful, tempered plans derived from thorough discussion by the Town Administrator and the department heads of the future integrated needs of the departments.

It is intended to provide an update to this report in the coming months as continuing study of facilities, bridges, roads, sewer and water treatment reveals reasonably concrete capital requirements.

REPORT ORGANIZATION

This report is organized into the following sections:

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HISTORY A Capital Improvement Program Committee was formed in 2000 which submitted a capital improvement program for the years 2001-2006. Further reports were developed from 2001 to 2003 by the Planning Board. In 2004, the following warrant article was passed which authorized the Selectmen

to appoint a CIP Committee composed of members from the Planning Board, Budget Committee and others.

CAPITAL IMPROVEMENT PROGRAM

To see if the town will vote to authorize the Selectmen to appoint a capital improvement program committee, which shall include at least one member of the planning board and may include but not be limited to other members of the planning board, the budget committee, or the town or city governing body, to prepare and amend a recommended program of municipal capital improvement projects projected over a period of at least six years. The capital improvements program may encompass major projects being currently undertaken or future projects to be undertaken with federal, state, county and other public funds. The sole purpose and effect of the capital improvements program shall be to aid the selectmen and the budget committee in their consideration of the annual budget. This procedure is authorized by TITLE LXIV, PLANNING AND ZONING, CHAPTER 674, LOCAL LAND USE PLANNING AND REGULATORY POWERS, Capital Improvements Program, and Section 674:5, effective July 2, 2002.

A committee based on this warrant article was appointed in 2005 and reports were submitted in 2005, 2006 and 2007. Although a committee met through the summer of 2008, no report was issued. A new committee was appointed in 2010:

Planning Board	Steve Ward - Chairman
Budget Committee	Dave Barney
Selectman	Bob Reagan
Public	Lola Baldwin

This committee has assimilated capital requests made by the department heads and the Town Administrator, evaluated them and made the recommendations contained herein. This report has been submitted to the Planning Board, Select Board and Budget Committee for their use in developing a capital improvement program and in preparing their budget and financial plans.

METHODOLOGY The Committee has adopted a definition of capital expenditures and capital projects as follows:

1. A gross cost of \$5,000 or more;
2. A useful life of at least three years; and
3. Is non-recurring (not an annual budget item).

As mentioned above, departmental projections were requested by and reviewed with the Town Administrator. Care was taken to ensure that one department's projects did not conflict or overlap with another's and that they were appropriately prioritized. Public safety issues were addressed on an integrated basis rather than departmentally.

A change from prior years can be observed on Exhibit I, 2010 Capital Improvement Program Projections. In order to ensure that this report is as comprehensive as possible, the Committee has added a line "Capital Equipment" for each of the Police, Fire and Highway Departments. Each amount is projected out six years and represents the average annual cost of replacing all of a department's capital equipment at the end of each item's expected life at today's replacement cost. These items range from office copiers at \$2,500 each with a life of five years to a truck lift at \$35,000 with a life of 20 years. The replacement of these capital items will usually be provided for in each year's operating budget, and the dollar amount will vary annually.

The replacement of Police, Fire and Highway Department vehicles will continue to be the subject of warrant articles. For the more expensive, longer lived and intermittently purchased fire and highway vehicles, an annual amount will be appropriated to build a reserve sufficient to finance the purchase of these vehicles in the year of expected replacement. No reserves will be established for police vehicles which are expected to be replaced on an annual or as needed basis.

A reserve of \$275,000 currently exists for fire equipment that is available for the replacement of Engine 3 (projected \$270,000) in 2011. In order to rebuild the reserve to the \$230,000 projected for the replacement of the Rescue truck in 2015, the annual amount appropriated to the reserve will need to increase from \$30,000 annually to \$46,000. The Highway Department's current reserve of \$96,000 will be largely depleted by the replacement of the Ford 550 (projected \$85,000) in 2011, and annual appropriations well in excess of \$100,000 will be required to rebuild the reserve to finance the expected replacement of these costly highway vehicles.

CURRENT CAPITAL PROJECTS

Buildings/Facilities

Town office/Library

The elevator in the library serving two floors must be upgraded by 2014 in accordance with an ADA deadline at a cost of \$45,000. A projection of \$110,000 has been made for 2016 should it be decided to extend elevator service to the third floor. This would require a new shaft structure on the outside of the current building and an extension of the existing lift.

Although painting (\$15,000 in 2015) is not a cost that is capitalized and depreciated, it does fit our definition above, is instrumental in preserving our buildings and should be provided for. Painting is normally included in the operating budget.

Senior Center

A recent inspection of the elevator installed in 1984 revealed significant safety deficiencies that will require a replacement. Canaan has received an extension from the State to 2013. The projection for 2012 includes \$70,000 for a new elevator and \$60,000 to extend the corner of the building to accommodate a shaft large enough for a new elevator. Canaan is responsible for the Center's operating systems, while the Grafton County Senior Citizens Council, Inc. furnishes operating funds.

Although the furnace is currently operating satisfactorily, its age suggests that a replacement may be required about 2014.

Meeting House

Recently discovered structural damage caused by extensive leakage in the cupola of the Meeting House will cost an estimated \$95,000 to repair. Funding for 50% may be available from the NH Land and Community Heritage Investment Program (LCHIP). A temporary repair would cost approximately \$25,000, all of which would be funded by Canaan.

Painting of the exterior and some trim repair is projected for 2012 at \$18,000.

Museum

Exterior painting will be required in 2011, and \$18,000 is expected to be included in the operating budget.

Although funds may not be available until 2012, an expenditure of \$28,700 is projected in 2011 to rebuild one side of the back addition. This repair is critical to the structural integrity of the building.

Also urgent is the temporary rewiring of the electrical circuit to the beach house pending the renovation of the interior walls. This safety measure is estimated to cost \$8,000 and projected for 2012.

Highway Garage

The Road Agent and Town Administrator have proposed the phased construction of a storage area incorporating a washing system to remove road salt from and prolong the lives of highway and fire vehicles. A slab containing the washing mechanism would be poured beside the existing highway building in 2012 (\$22,000). In 2013 a roof and support structure would be built over the slab (\$66,000). The walls and doors would be added in 2014 (\$67,000).

The used oil-burning furnace would be replaced with a new technology furnace in 2012 (\$8,000).

Road salt is currently stored outside exposed to moisture and freezing. An enclosed storage shed is proposed for 2013 at a cost of \$80,000 which would permit salt and sand to be mixed and trucks loaded under cover. The shed floor would be lined with an impermeable barrier to prevent salt from leaching into the nearby Indian River. A shed for salt storage only would cost approximately \$40,000.

Public Safety: Police, Fire and EMT

The stone facing is separating from the police station, and repair is projected for 2012 (\$8,000). Worn carpeting would be replaced in 2013 (\$5,000).

The Fast Squad has proposed a new structure that connects the police station and fire department buildings creating a dedicated EMT/Emergency Management facility separate from the police station where an ambulance and paid EMT are now stationed in two of the four bays. The projected \$265,000

cost does not include any interior finishing, equipment or furnishings. It is estimated that a stand-alone facility would cost a minimum of \$250,000.

The design of this addition could accommodate the police department's legal requirement for additional space. The existing evidence and booking rooms are in need of expansion, and a locker/storage room is envisioned. The reconfiguring of the space freed up by EMT is projected to cost \$50,000 in 2015.

The Fast Squad is a not-for-profit organization that contracts its services with Canaan, Grafton, Orange and Dorchester and invoices patients who pay if able. The Fast Squad believes that a federal grant well in excess of \$265,000 is temporarily available to finance such a facility. Since this facility would be constructed on public land, an application requires the support of the Select Board as well as the police and fire departments. It is understood that the Fast Squad is contemplating as an alternative the purchase of land elsewhere and construction of a stand-alone building.

Transfer Station

The expenditure of \$25,000 in 2012 is projected to construct a new building or renovation of the old garage for hazardous waste streams and separation of paints, oils, etc.

Water/Sewer Areas

Fencing is required around the water treatment plant and should be undertaken in 2011 (\$6,500). The caustic area will need to be rewired by 2014 (\$6,000).

Other

Investment in solar panels will offset some heating and electricity expense (\$50,000 in 2013). This process has begun at all schools in the Mascoma Valley Regional School District.

A study has been proposed to investigate the feasibility of a recreation facility at Cozy Corner in Williams Field (\$10,000 in 2014).

Police Department

The police department is projecting the replacement of the 2004 Impala used by the Student Resource Officer with a Crown Victoria in 2011. The SRO will then be assigned the department's 2006 Explorer. In 2012 Ford Motor will begin selling a standard all-wheel drive Taurus police cruiser in place of the Crown Victoria police cruiser. Therefore, the 2006 Crown Victoria will be replaced with a Taurus in 2012. The 2007 Ford Expedition SUV will be replaced in 2013. If necessary, the 2006 Explorer will be replaced by a Taurus in 2014. In 2016, a Taurus will replace the remaining Crown Victoria (2010).

Fire Department

Engine 3 will be replaced as soon as possible with a similar vehicle projected to cost \$270,000. This engine is on stand-by as its sheet metal has deteriorated to the extent that the vehicle is unreliable. The

department's rescue truck will be replaced in or about 2015 at a cost of \$230,000 in today's dollars. Engine 2 is expected to remain in service until 2018 (\$270,000) and the tanker until 2021 (\$250,000). The Fire Department's 2003 Expedition will be replaced with the Police Department's 2007 Expedition in approximately 2013.

Highway Department

After extensive consideration, the highway department has prioritized the replacement of the Ford 550 (\$85,000), JCB backhoe (\$120,000), Freightliner 6-wheel (\$140,000), and Komatsu loader (\$150,000) in 2011, 2012, 2013 and 2014 respectively. All of these vehicles are in poor condition, and this priority may change without much warning. Because of the high cost of highway vehicles and the number currently needing to be replaced, no specific purchases are projected currently for 2015 and 16.

The amounts to be expended for maintaining and repaving Canaan's 30 miles of paved roads per year are projected at \$221,500 per year. These projections are under review. As mentioned earlier, data on bridge status is being examined as well.

Other

Capital equipment replacement for the town office, cemetery, recreation department, sewer department and transfer station are consolidated on this line in Exhibit I (\$33,000).

SUMMARY

As mentioned earlier, it is intended to update this report as new data becomes available. Among topics expected to receive further scrutiny are:

1. Improving privacy in certain Town offices,
2. Installation of broadband service throughout Canaan,
3. Drilling a back-up well and replacing water mains from Canaan Street Lake to Canaan Village, and
4. Completing the expansion of the Sewer department's rapid infiltration beds in 2011 and providing additional sewer capacity.

2010 CAPITAL EXPENDITURE PROGRAM PROJECTIONS

Exhibit I
1/28/2011

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Buildings/Facilities</u>						
Town Office/Library						
Lift				45,000.00		110,000.00
Exterior painting					15,000.00	
Senior Center						
Lift		130,000.00				
Furnace				5,000.00		
Meeting House						
Cupola/Clock tower	95,000.00					
Exterior painting		18,000.00				
Museum						
Exterior painting	18,000.00					
Structural integrity	28,700.00					
Rewiring		8,000.00				
Highway						
Wash shed-phase 1		22,000.00				
-phase 2			66,000.00			
-phase 3				67,000.00		
Furnace		8,000.00				
Salt shed			80,000.00			
Public Safety: Police, Fire&EMT						
Interior flooring			5,000.00			
Connect buildings					265,000.00	
Reconfigure police facility					50,000.00	
Transfer Station						
Hazardous waste/used oil		25,000.00				
Water/Sewer Areas						
Fencing	6,500.00					
Interior wiring and fans				6,000.00		
Other						
Solar options			50,000.00			
Recreation Center study	-	-	-	10,000.00	-	-
Sub-Total	<u>148,200.00</u>	<u>211,000.00</u>	<u>201,000.00</u>	<u>133,000.00</u>	<u>330,000.00</u>	<u>110,000.00</u>

Police Department

Cruiser	28,000.00	28,000.00	35,000.00	28,000.00		28,000.00
Capital equipment: server, vests, radios, handguns, etc.	<u>15,000.00</u>	<u>15,000.00</u>	<u>15,000.00</u>	<u>15,000.00</u>	<u>15,000.00</u>	<u>15,000.00</u>
Sub-Total	43,000.00	43,000.00	50,000.00	43,000.00	15,000.00	43,000.00

Fire Department

Engine 3	270,000.00					
Rescue					230,000.00	
Capital equipment: generators, hose, radios, etc.	<u>44,000.00</u>	<u>44,000.00</u>	<u>44,000.00</u>	<u>44,000.00</u>	<u>44,000.00</u>	<u>44,000.00</u>
Sub-Total	314,000.00	44,000.00	44,000.00	44,000.00	274,000.00	44,000.00

Highway Department

Ford 550	85,000.00					
JCB backhoe		120,000.00				
Freightliner 6 wheel			140,000.00			
Komatsu loader				150,000.00		
Road paving/repair	221,500.00	221,500.00	221,500.00	221,500.00	221,500.00	221,500.00
Capital equipment: screen, compressor, chipper, etc.	108,000.00	108,000.00	108,000.00	108,000.00	108,000.00	108,000.00
Bridges	<u>-</u>	<u>TBD</u>	<u>TBD</u>	<u>TBD</u>	<u>TBD</u>	<u>TBD</u>
Sub-Total	414,500.00	449,500.00	469,500.00	479,500.00	329,500.00	329,500.00

Other

Capital Equipment						
Town office	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00
Cemetery	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Recreation	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Sewer	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00
Transfer station	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00
Sub-Total	<u>33,000.00</u>	<u>33,000.00</u>	<u>33,000.00</u>	<u>33,000.00</u>	<u>33,000.00</u>	<u>33,000.00</u>
TOTAL	<u>952,700.00</u>	<u>780,500.00</u>	<u>797,500.00</u>	<u>732,500.00</u>	<u>981,500.00</u>	<u>559,500.00</u>