TOWN OF NEWMARKET, NH
**CAPITAL IMPROVEMENT PROGRAM (CIP) COMMITTEE**
Tuesday, September 21, 2021
4:00 PM Town Hall Auditorium

Called to Order: 4:07 PM

Members Present: Russ Simon (Chair & Member at Large), Katanna Conley (Town Council), and Gary Swanson (School Board)
Members Absent: Eric Botterman (Vice-Chair & Planning Board), Roger Cady (Budget Committee), Jane Ford (Planning Board – Alternate), Jonathan Kiper (Town Council– Alternate), and
Michael LaBranche (Budget Committee- Alternate)
Others Present: Steve Fournier (Town Manager), Bill Tappan (Director of Finance), Diane Hardy (Town Planner) and Sue Frick (Recording Secretary)

**1. Conversation with the Town Administrator and the Finance Director:**

During the CIP process this year, a number of questions arose around the issue of leasing to acquire new/or replacement assets for the Town. Questions were submitted to the Town Manager prior to our meeting today.

Steve Fournier, Town Manager, wanted to be sure that the CIP committee understood the basic differences between the Capital Improvement Program (CIP) and the Capital Reserve Fund (CRF).

Capital Reserve Funds (CRF): Expenditure of these funds must be voted on by a legislative body. In the case of the Newmarket, this body is the Town Council - all authority to spend from these funds lies with the Town Council. To place money into the CRF, there must be a budget which is voted on by the voters at the Annual Town Meeting.

Capital Improvement Plan (CIP): The sole role of the CIP is to review the requests from Town departments and propose a 6-yr plan for implementing requests. This responsibility is outlined in the Town Charter, Article 5 – Finance:

 ***Sec. 5.7. - Capital Improvement Plan***

*A. The Capital Improvement Program Committee shall prepare and submit to the Council and Budget Committee a Capital Improvement Plan at least one (1) month prior to the final date for submission of the Manager's budget to the Council. The Capital Improvement Plan shall include:

(1) A clear summary of its contents.*

*(2) A list of all capital improvements including major replacements which are proposed to be undertaken during the next six (6) fiscal years, including, but not limited to, equipment, sewer and water mains or facilities, roads, school facilities, sidewalks, bicycle paths or lanes, public open spaces and recreation facilities, new police and/or fire stations, and other new public facilities and major items of equipment, with appropriate supporting information as to the necessity for such improvements.*

 *(3) Cost estimates, methods of financing and recommended time schedule for each such improvement.*

*(4)The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.*

*B. The Capital Improvement Plan shall be based on a period of not less than six (6) years and shall include reference to or be influenced by, where appropriate, the Town Master Plan.*

*C. The above information may be revised and extended each year with regard to capital improvements still pending or in process of construction or acquisition.*

*D. At least annually, or more often as the Council may direct, the Manager shall submit to the Council a status report on implementation of the Capital Improvement Plan for the current year and financial statements of all capital accounts.*

*E. A summary of the updated Capital Improvement Plan with estimated costs shall be included the Town Report and such portion of the current year costs the Council deems appropriate included.*

**Questions Submitted:**

**It is our understanding from the Town Manager that the Town can approve full payout leases for the Town as an alternative to purchasing the equipment if the lease contains a “non-appropriation” cancelation clause and asset ownership transfers to the Town when the last lease payment is made. Is this a correct understanding?**

*Correct.*

**It is our understanding that the Town can withdraw current CIP funds to pay for lease payments and by doing so, will not have to budget for that lease payment as part of the Operating Budget. Is this a correct understanding?***Correct.*

**Should CIP still track all the assets (like new or replacement vehicles) even though we will not be getting CIP requests for funding leased equipment?**
*Yes – the CIP, however, does not really track assets, the CIP just recommends to the Town Manager and Town Council what the Town should be investing in. The CIP is basically the arbitrator between the Departments and the Town Manager.*

**If so, how do we modify the current reporting to reflect leased assets being acquired?**

*Members and the Manager discuss ways to modify the form…basically the form does not need to be changed – they already have the appropriate ways to indicate leasing and other sources of funding (grants, etc.). It was clarified that going forward the Department Heads should submit a form for every vehicle. Leased vehicles have nothing to do with the CIP. We should always see something in the request for the next vehicle the cost of which shall be spread out over the next six years to replace the previous vehicle- which we don’t see again in the Capital Improvement Plan once it is leased. Diane Hardy* *suggests that we change the definitions (funding level) of what constitutes equipment vs. a capital project.*
Thank you Steve and Bill for attending the meeting today.

**2. Approval of Minutes – September 13, 2021

 Action**

**Motion:** **Gary Swanson** moved the minutes of Sept. 13, 2021 be approved as written.

 **Second: Katanna Conley
 Discussion:** none
 **Vote:** Unanimously Approved

**3. Other Business

Diane Hardy** spoke with Janna Mellon at the School and she mentioned that she misspoke about the $44,000 from the PTA for the playground equipment. She does not have that money in her accounts. So Diane adjusted the CIP request sheet upon Janna’s request. **Diane** and **Sue** **Frick** got together on Tuesday to carefully proof read the CIP decisions and dollar amounts prior to the final copy being presented to the Town Manager. The CIP final report will be formally presented to the Town Council by Chair **Russ** **Simon** and **Diane** **Hardy** on Saturday, October 23, 2021 at 9:00 AM in the Town Council Chamber. All members of the CIP are invited to attend to cheer them on!

**Thank you to everyone who served on the CIP this year!**

**4. Adjourn
 Action**

**Motion:** **Gary Swanson** moved the meeting be adjourned.

 **Second: Russ Simon
 Discussion:** None
 **Vote:** Unanimously Approved

The meeting was adjourned at 4:50 PM

Respectfully submitted,

 Sue Frick, Recording Secretary