



**Town of Newmarket
Fiscal Year 2023/2024
Capital Improvement Plan
FY 2024– FY 2030**

Manual

FY 2023/2024

Town of Newmarket

Capital Improvement Program (CIP)

Instruction Manual

The Capital Improvement Program (CIP) gives Newmarket, the Town Manager and Council, Budget Committee, and School District Administration, an important planning tool to address the future capital needs of the community. This plan takes into consideration the Town's vision, goals and objectives for municipal and school facilities as identified in the Town of Newmarket Master Plan and is based on the financial capability of the Town and the School District to bring the program to fruition. The CIP is a long-range plan, which includes a time sequence for the implementation of projects over a period of six (6) years from Fiscal Year 2024 through Fiscal Year 2030.

Generally, a capital cost is a non-reoccurring annual expense that creates a depreciable asset for the community, as opposed to an operating cost, which relates to the on-going annual expenses of delivering municipal services to persons and properties. For example, the cost of designing and constructing a wastewater treatment plant and its corresponding infrastructure is considered a capital cost; whereas the cost of hiring an operator or purchasing materials to run the plant is an operating expense.

Expenditures to fund a capital project may include a one-time expense in any given fiscal year, which would be included in the annual budget. Or, if the item is a costly one, there may be a need to establish, a capital reserve or trust fund for the project or piece of equipment, in which case funds would be annually appropriated for that purpose and then deposited into a non-lapsing fund to allow the funds to accumulate over time. The idea, being that when the time comes to undertake the project, the necessary funding will be available to complete the project. Or, the CIP can include items for which there will be a bond issue/or long-term financing for the project and its corresponding debt service will occur over the course of several years.

There are two types of CIP project requests here in Newmarket for: (1) Capital Equipment; and (2) Capital Improvement Projects, as described below:

Capital Equipment:

Capital equipment is defined as the purchase of a tangible item that is not reoccurring; has a useful life of more than three (3) years; and an aggregate cost of at least \$10,000. All new and replacement equipment that meets this criteria should be requested on the Capital Equipment Request Form that is attached to this manual.

Capital Improvement Project:

Capital Improvement Project is defined as a project undertaken to enhance the infrastructure and public facilities of Newmarket. It has a useful life of more than 10 years and costs at least \$50,000. All new capital projects meeting this criteria should be requested on the Capital Improvement Project Request Form, which is also attached.

In developing your CIP requests it may be helpful to ask the following questions:

1. Are there advance planning, engineering, and design costs, and/or other short-term investments that will be needed over the next six (6) years to support the long-term capital facility needs of the next 15-20 years?
2. Will existing facilities be adequate to handle anticipated growth in the community? If not, what new facilities are needed?
3. Are improvements necessary to address an immediate danger, threat or respond to a state or federal mandate?
4. Are capital improvements and equipment necessary to expand capacity to serve new demands or to improve the quality or level of municipal services?

It should be noted that not all capital improvement projects involve physical facilities. They may include special studies and analyses, preliminary designs, cost estimates, and land acquisitions, which are often referred to as “soft” costs.

As part of this process, the CIP committee will be prioritizing the proposed expenditures based on the justifications provided by each Town Department and the School District/ Administration for each project. By classifying a project by its need or urgency, the CIP committee will have information upon which to rank and prioritize projects based on the following definitions:

“**U**” for urgent if the project is required to remedy an existing threat to public health or safety, or is required to rectify grossly inadequate, but essential, public facilities or services.

“**C**” for compulsory if the project is required by statute, law, regulation, contract, or other obligation.

“**N**” for necessary if the project is needed to maintain existing standards or levels of service.

“**D**” for desirable if the project would be beneficial to the community but is not considered necessary, compulsory, or urgent, or is deferrable.

Equipment Purchases

Requests shall be completed for each piece of equipment or vehicle within the Department’s or School District’s fleet on the attached Capital Equipment Request form.

All requests shall provide full documentation of all vehicles and equipment noting the following:

1. Vehicle/equipment year;
2. Make/model;
3. Current mileage; and
4. Repair/maintenance costs from previous fiscal year.

CIP Forms

The forms this year are different from years past. This year's renditions includes more narrative space to describe the project's needs and to elaborate on how a request meets the goals and objectives of the Town's Master Plan. The updated forms also includes more detail how a requests effects capital and operational costs so as to give the committee a better understanding of the financial impact of a request.

All paperwork is to be submitted no later than the close of business on ***Friday, July 21, 2023***. All forms are to be placed on the "U Drive" under the folder named "CIP 23/24" ***Please do not convert your forms to a PDF***, as we many need to do some editing for the final report. The correct format for the CIP is in both MS Word and Excel. Any forms delivered to us in a PDF form will be returned to you to be re-done.

If you have any questions on how to fill out the forms or prepare for the CIP Committee presentation, please contact Bart McDonough at 659-8501 x1315 or e-mail her at bmcdonough@newmarketnh.gov.

2022/2023 CIP Member Roster

Jane Ford, Planning Board	<u>Vacant</u> , Planning Board (Alternate)
Sönke Dornblut, Town Council	Colin D. White, Town Council (Alternate)
Philip Nazzaro, School Board	
Richard LeSavoy, Budget Committee	Danielle Honan, Budget (Alternate)
<u>Vacant</u> , Citizen at Large	<u>Vacant</u> , Citizen at Large

Technical Resources

Bill Tappan, Finance Director
Janna Mellon, School Business Administrator
Bart McDonough, Town Planner/CIP Coordinator
Susan Frick, Recording Secretary