

Town of Brentwood  
Capital Improvements Program  
2022-2027

Prepared by:  
Brentwood Planning Board  
December 31, 2021

## **Acknowledgements**

### ***Members of the Brentwood Planning Board:***

Bruce Stevens, Chairman  
Jon Morgan, Board of Selectmen's representative  
Kevin Johnston, Vice Chairman  
Paul Kleinman  
Mark Kennedy  
Kristin Aldred Cheek  
Doug Finan  
Brian West, Alternate  
David Menter, Alternate

The Brentwood Planning Board endorsed this Capital Improvements Program by unanimous vote at their Planning Board public hearing of January 6, 2022.

# **CAPITAL IMPROVEMENTS PROGRAM BRENTWOOD, NEW HAMPSHIRE**

## **I. INTRODUCTION**

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

New Hampshire RSA 674:5-7 provide legal guidance as to authorization, purpose, description and preparation of the CIP. Undertaking a CIP can only be done after authorization to do so is granted by the local legislative body. This was done by a vote of the residents of Brentwood at the annual Town Meeting of 1987.

***674:5 Authorization** – In a municipality where the planning board has adopted a master plan, the local legislative body may authorize the planning board to prepare and amend a recommended program of municipal capital improvement projects projected over a period of at least 6 years. As an alternative, the legislative body may authorize the governing body of a municipality 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 6 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 mayor or selectmen and the budget committee in their consideration of the annual budget.*

Although this document must have the authorization of the local legislative body, its use, once completed, is entirely advisory. The document is structured to provide a multi-year (at least six) recommended program of major capital projects and expenditures.

## **II. BRENTWOOD CAPITAL IMPROVEMENT PROGRAM**

The Brentwood Capital Improvements Program is a budgetary document that schedules all anticipated major Town expenditures for a period of six years. The program, when adopted and fully utilized, serves to ensure that the services and facilities necessary to meet the community's needs are provided in accordance with the financial capabilities of Brentwood.

For the purpose of this document, the Brentwood Planning Board determined that a capital improvement is to be defined as: a major, generally non-recurring, expense of \$10,000 or more which falls into one of the following categories:

- The purchase of land for public purposes
- The purchase, construction, or rehabilitation of a municipal building or facility;
- The construction of roads, drainage facilities, or similar projects;
- The preparation of studies or architectural/engineering plans relative to the above;
- The purchase of vehicles; and
- The purchase of equipment with a life expectancy of over five years

### **Advantages of a Capital Improvement Program**

The adoption and implementation of a CIP offers many advantages:

1. **Stabilizes year to year variations in capital outlays.** By examining projected operating expenditures and revenues over the six-year period, available funding can be evaluated, and capital projects prioritized and scheduled to temper tax impacts.
2. **Substantiates the need for development impact fees.** The costs of providing municipal services and infrastructure to new developments which would otherwise not have required Town expenditures can be reasonably passed on to developers as development impact fees.
3. **Make pre-emptive acquisitions more feasible and defensible.** Anticipating and scheduling land purchases for municipal use, recreation, preservation, etc. will help ensure that opportunities are taken if they arise.
4. **Supports growth control and impact fee ordinances.** A current Master Plan and CIP are statutory prerequisites for these regulations.
5. **Facilitates implementation of the Master Plan.** Prioritizing and scheduling of proposed projects over time can eliminate duplication and a random approach to expenditures.
6. **Provides a total picture of Brentwood's major needs.** Large expenditures will be viewed in the context of other projects, rather than in isolated instances as the needs arise. In this way, activities of municipal departments can be coordinated, and piecemeal expenditures discouraged.
7. **Establishes a rational and defensible project schedule.** Needs are evaluated and prioritized in light of anticipated revenues.
8. **Serves as a public information tool.** The CIP is prepared in a public forum and provides sound information on the Town's plans for major expenditures.

After a public hearing is held, the Planning Board adopts the CIP as the guide for capital projects over a six-year period.

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

The CIP provides Brentwood with an opportunity to schedule future capital expenditures necessary to support the existing and forecast population. At the same time, the Capital Program Budget process is a means of providing input into the Budget Committee Hearings process and Town Meetings, effectively implementing the Master Plan. A Capital Improvement Program and Budget is utilized to realistically measure public expenditure needs to implement programs provided for in the Master Plan and relate them to the Town's growth, then provide for the scheduling for such improvement.

The Capital Budgeting process affords the ability to stabilize the tax rate by spacing programs and payments gradually over a period of time, thus avoiding peaks and valleys in the appropriations necessary, thus stabilizing the tax rate. It is becoming increasingly important, particularly as state and federal funding programs become less and less available to local communities, that alternate sources of funding are sought and utilized.

A CIP can assist Brentwood's measurement of capital expenditures required by proposed developments (even though in conformance with the Zoning Ordinances and Subdivision Regulations) against the Town's ability to provide means necessary to support such new developments. It is through this process that a Planning Board may require off-site improvements in support of development rather than placing burdens of public improvements on the general public. This is especially true when the only beneficiary will be the developer who is proposing the development and those ultimately living in such development.

It is this process that also makes the Town realize that Capital expenditures necessary for new development and expansions of old ones are creating a burden on the public funding process. New developments can be reasonably assessed for their fair share of capital facility needs.

For Brentwood to provide services without unduly burdening its financial capability, the Town should use a managed growth process. State Statutes require that a community, before exercising growth management, adopt a Master Plan and a Capital Improvement Program. The CIP must not merely indicate a community's inability to provide for rapid growth, but also indicate how financial planning can meet needs arising from future community growth.

Once the Planning Board has adopted a Capital Improvement Program and outlined a capital budget for the Town to consider, efforts toward community growth management must be related to the CIP process. The Planning Board measures new and proposed development, determining its inappropriateness in a schedule of timing, or its appropriateness in keeping with the community's ability to provide services, as well as its relationship to growing physical development.

It is through these means that the Planning Board can measure the need for off-site improvements such as road and traffic safety, can assess the impact of a proposed development, and can provide for orderly development of the community and implementation of the community's Master Plan.

The CIP is a stand-alone planning document, the use of which is voluntary by the Town. However, it is important to note that it is complementary to the Town's Master Plan. The major facility upgrades programmed in the CIP for the police department is discussed in the community facilities chapter of the Master Plan. Reasons for constructing this improvement are offered as long-term planning goals for the Police Department. The CIP serves as a mechanism to help bring about these community improvements in a financially responsible way.

While Brentwood has demonstrated a commitment to wise land-use planning through the implementation of its Master Plans and resulting regulations, the Planning Board must continue its effort to manage its rate of growth. The CIP helps to do this in a structured manner.

### **Financial Capacity and Method of Financing**

Town expenditures can be grouped into two broad categories -- operating and capital. Operating expenses include such items as salaries, utilities, insurance, rent, equipment purchases under \$10,000, etc. Capital expenses are restricted to land, vehicles, buildings, equipment that lasts more than 5 years, building renovations and repairs, and road projects which result in long term improvements.

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

1. **Current Revenue:** The most commonly used method of financing capital projects is through the use of current revenues. Current revenue is the money raised by the local property tax for a given year. When a project is funded with current revenues, its entire cost is paid off within one year. Projects funded with current revenues are customarily lower in cost than those funded by bonds. If the town has the financial capacity to pay for a project in a given year, the cost to the taxpayer will be less than if bonded because there are no interest payments to be made. However, making capital acquisitions with current revenues does have the effect of scheduling an expenditure into one-year resulting in higher taxes for the year of purchase.
2. **General Obligation Bonds:** These bonds are used to finance major capital projects. They are issued for a period of time ranging from five years to twenty years, during which time principal and interest payments are made. They are secured by the government's power to tax and are paid for by property taxes. Time payments have the advantage of allowing the capital expenditures to be amortized over the life of the project and of avoiding the property tax peaks that result from capital purchases made from current revenues. On the other hand, they do commit resources over a long period of time, decreasing the flexibility of how yearly revenue can be utilized.
3. **Revenue Bonds:** These bonds are issued to finance revenue-producing facilities, such as water and sewer services. Revenue bonds differ from general obligation bonds in that, while the town secures them, they are paid for out of revenues generated by the improvement being financed. Thus, a water distribution system improvement, funded through revenue bonds, would be paid for by revenue received from water users. User fees, with no local tax money involved therefore pay for the floating of these bonds.
4. **Capital Reserve Fund:** Since many capital projects involve very considerable expenditures, it is often advantageous to set aside current revenue over a period of years in order to make a purchase. The resulting capital reserve fund can be for general purposes, with its use determined at a later date, or specific, with its

purpose set out initially. One obvious advantage of a capital reserve fund is that the major acquisition can be made without the need to go into the bond market and without making interest payments. With capital reserve funds, monies are "removed" from the town's budget in the year in which the money is appropriated, not in the year in which the purchase is actually made.

5. **Special Revenue Sources:** This category includes projects financed by user fees, intergovernmental transfers, grants and gift/donations. Intergovernmental transfers, so-called, are highway aid from the NH Dept. of Public Works and Highways, the Environmental Protection Agency for sewer projects, the Dept. of Housing and Urban Development for community development projects, and the Dept. of the Treasury for general revenue sharing funds. These programs either provide an outright grant or provide matching funds to go with locally raised funds.

### III. **Proposed Capital Projects**

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

A goal or target expenditure level is set for each of the years in the project period. For a community that is growing slowly without substantial increases in its tax base from year to year, the sum of the cost of all the projects can be divided by the number of years in the plan to yield a flat expenditure rate. In this case, dividing the expenditures equally over the period would result in a higher tax burden in the earlier years of the plan and a lower burden in later years, as the taxable property increases.

In Brentwood's case, the department heads prioritized the projects; a project indicated as essential was scheduled first. Table 1, titled **Brentwood Capital Improvement Plan 2022 - 2027** shows anticipated capital projects for the next six years. The projects have been scheduled as submitted by the assorted departments with minimal adjustments made by the CIP committee in an effort to equalize capital expenditures over the six-year plan period.

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

**Table 1 - Brentwood Capital Improvements Program 2022-2027**

	2022	2023	2024	2025	2026	2027	Impact Fees	Grants / Reimbursements	CRF
<b>Board of Selectmen</b>									
No Projects indicated									
<b>Fire Department:</b>							\$39,626		
Replace ambulance		\$330,000							\$183,874
Aerial firefighting apparatus			\$1,000,000					\$950,000	
Bond payments for Fire Station	\$103,275	\$99,689	\$95,939	\$92,189	\$88,439	\$84,876			
<b>Highway Department:</b>									
Construct maintenance building				\$480,000					\$317,000
Replace 2001 Dump Truck		\$176,550							\$121,652
Replace 2006 Dump Truck			\$176,550						
<b>Replace 550 Pickup Truck</b>		\$80,000							
<b>Replace 3500 Pickup Truck</b>		\$80,000							
<b>Mary E Bartlett Library:</b>							\$35,678		
Create new exterior assembly area and add elevator	\$50,000		\$150,000						
<b>Police Department</b>							\$9,570		
Construct New Facility				\$2,300,000					\$83,847
<b>Recreation Department:</b>							\$62,253		
Outdoor stage		\$20,000							
Lighting at the upper softball field				\$75,000					
Purchase an additional van		\$25,000							
Finish the Rec Center basement					\$30,000				
<b>Total expenditures:</b>	\$153,275	\$811,239	1,422,489	\$2,947,189	\$118,439	\$84,876			
Minus Grants/CRF/ etc.	\$0	\$305,526	\$950,000	\$400,847					
Minus Impact Fee Funds	\$0	\$39,626	\$35,678	\$9,570	\$0				
Minus Impact Fee Funds				\$62,253					
<b>Total Anticipated Revenue:</b>	<b>\$0</b>	\$345,152	\$985,678	\$472,670	<b>\$0</b>				
<b>Total needed to be raised by taxes</b>	\$153,275	\$466,087	\$436,811	\$2,474,519	\$118,439	\$84,876			

## VI. Project Narratives

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

### **Highway Department**

The Highway Department has estimated that over the next six years they will replace a number of vehicles that are nearing the end of their useful life. In addition, the department has been investigating the construction of a maintenance building for the Highway Department property on Middle Road. Investigative studies have determined that the maintenance facility will cost \$480,000. One 2001 dump truck and one 2006 dump truck need replacement. The cost for each of these is anticipated to be \$176,550. Finally, the department anticipates the need to replace one 550 series pick up truck and one 3500 series pick up truck in 2023 and 2024 respectively at a cost of \$80,000 for each vehicle.

### **Fire Department**

The Brentwood Fire Department submitted two projects for the CIP. The first is the replacement of the existing 2006 ambulance. The anticipated cost for this vehicle replacement is \$330,000 and there are existing ambulance funds to cover this project cost. The second project is the purchase of an aerial fire fighting apparatus that has combined pump capabilities as well. The anticipated cost of this equipment is \$1,000,000 but grant funding is available to cover 95% of the project cost leaving just \$50,000 as the Brentwood community cost. Finally, the last project listed for the Fire Department is the annual bond expense for the fire station construction. The Town is just over halfway through the repayment schedule that ends in 2030.

### **Mary E Bartlett Library**

The library has two projects for the CIP. They are being considered together. The first is for the construction of a new outdoor presentation area that will replace the existing area that has experienced deterioration with a concrete seating/presentation area as well as installing an elevator in the library building. The first \$50,000 dollars shown on the CIP is for an engineering study and the second anticipated cost of \$150,000 is expected to cover the cost of the new seating area and the elevator installation.

### **Police Department**

The Police Department has one project on the CIP and that is the construction of a new facility that would be located on the northern side of the parcel currently housing the Fire Station. Initial studies indicate that the cost of this new building will be \$2,300,000 for a 6,000 square foot structure. As shown on the CIP table there are both CRF and impact fee funds for this proposal. It is highly likely that a municipal bond will be acquired to finance the new Police Department facility over a term of twenty years much like the Town currently has for the fire station on

Middle Road. If this were to occur the total funds needed to be raised in taxes would be drastically reduced to reflect a new bonding total that would show on CIP's long into the future.

### **Recreation Department**

The Brentwood Recreation Department has submitted four projects for the CIP although all of these are being reconsidered as the commission is going to re-evaluate all capital proposals in 2022. These projects are being kept on the program for the interim period as placeholders in case further evaluation determines they will remain priority projects. The first of these projects is the construction of an outdoor stage for performance activities. Project two is the lighting of the softball field. The third project is the purchase of a van for recreation program transportation. The final project is to finish the basement of the current recreation building to create office space and provide areas for teen and senior activities.