

APPENDIX C

TOWN OF NEW GLOUCESTER CAPITAL IMPROVEMENT PLAN

Items included in New Gloucester's Capital Improvement Plan shall include any capital expenditure in excess of \$7,500 and having a useful life of three years or longer. (Amended May 1, 2000 Town Meeting).

The CIP will include:

- ◆ A list of proposed projects
- ◆ A prioritization of the projects and the year in which each project will be initiated
- ◆ The amount to be expended in each year and the proposed method of financing

The scheduling basis for the CIP will be as follows:

- ◆ The identified need for the project
- ◆ The Town's ability to pay for the improvements
- ◆ The importance of the project in comparison with other town needs

The CIP Committee consists of seven members which include:

1 Selectman
4 New Gloucester Residents (appointed by Selectman)

Appointed by each respective committee
1 Budget Committee member
1 Planning Board

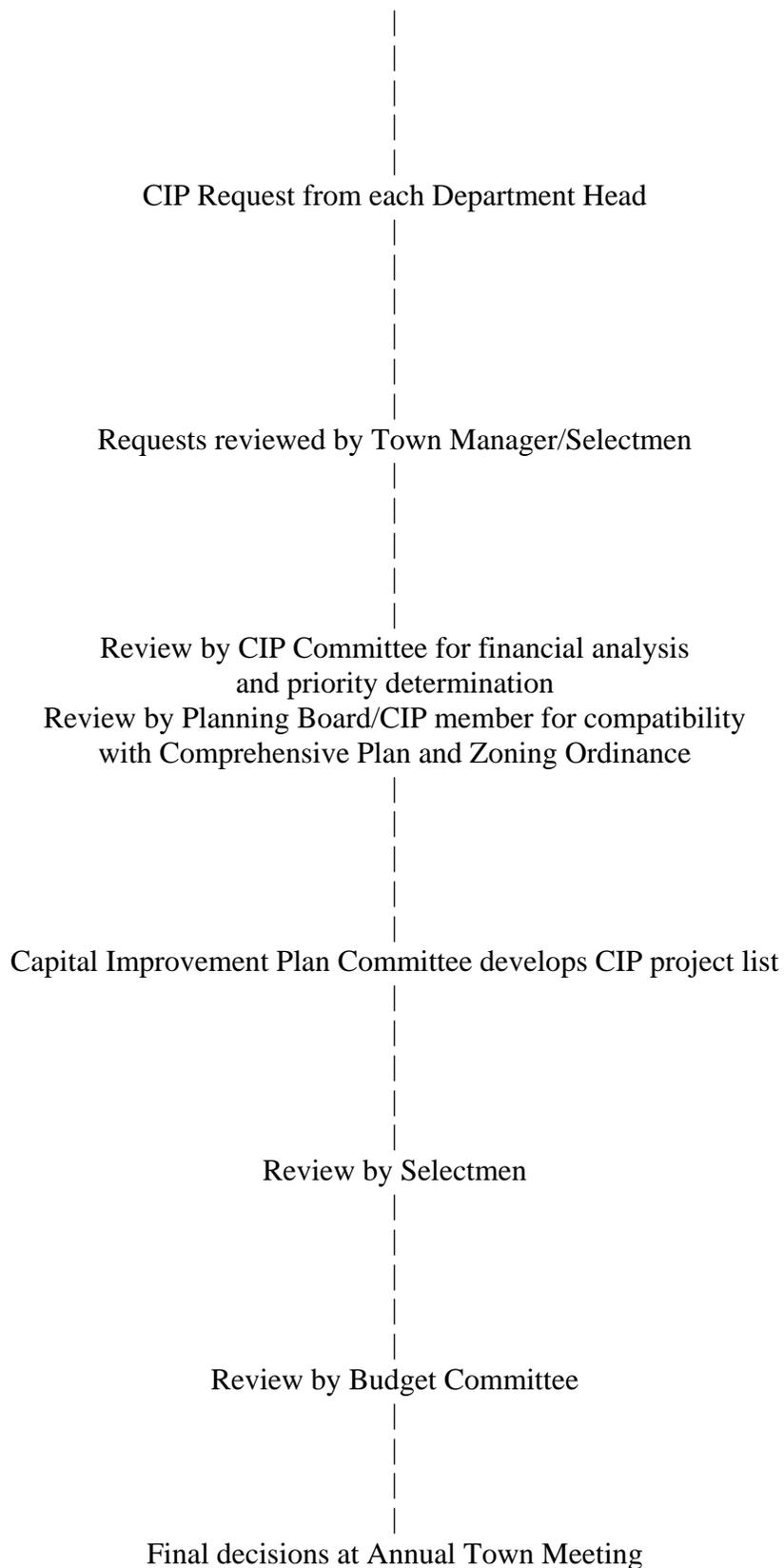
The Town Manager shall serve as a non-voting staff person to the committee. Each member shall serve for a minimum of two years. The Chairperson of the CIP Committee will be elected by the Committee on an annual basis.

The CIP will be presented to the community as follows:

- ◆ Each year the plan is updated and presented to the Selectmen for approval.
- ◆ Upon Selectmen approval, it is included in the town warrant for community approval at Town Meeting.
- ◆ Final authorization for each CIP expenditure is granted by a majority vote at Town Meeting.

The CIP is a tool which promotes sound financial planning by predicting future needs and costs, thus reducing substantial fluctuations in the yearly tax rate.

Town of New Gloucester
Capital Improvement Plan Flow



Long range planning for capital expenditures is not a new concept for New Gloucester. A more formalized plan such as a CIP will enable the town to analyze all the community needs and avoid the problem of mustering the vote at town meeting to get a “pet project” approved.

Each year during the budget process, department heads have been requested to submit current capital expenditure needs as well as those expected in the near future.

Based on current as well as anticipated capital expenditures, the Selectmen and Budget Committee make recommendations of the amount of money to be placed into the Capital Reserve Account on an annual basis. These monies are then used to purchase large capital items such as fire and municipal vehicles.

A Building Needs Analysis Committee completed in September 1990 a detailed report on the municipal needs for New Gloucester. They worked with the Town Office, Library, Historical Society, Old High School, Fire and Rescue, and Highway Departments and committees to outline the immediate and future needs. Their recommendations will be given to the CIP committee. The CIP Committee will use these recommendations as well as the requests from the department heads to develop a CIP.

Recommendations from the Building Needs Analysis Committee include:

- | | |
|-----------------|---|
| Library | <ul style="list-style-type: none">•Land for expansion•Architect for project•Building of project•Estimated cost \$500,000 |
| Highway | <ul style="list-style-type: none">•Addition to existing garage•Estimated cost \$70,000 to \$100,000 |
| Town Office | <ul style="list-style-type: none">•Renovate second floor•Estimated cost \$110,000 to \$160,000 |
| Fire and Rescue | <ul style="list-style-type: none">•Land purchase•Construct project•Estimated cost \$110,000 to \$150,000 |

Other Capital Needs as requested:

- | | |
|---------------------------|-----------------------------------|
| Remapping | •Estimated cost \$10,000 annually |
| Closure of Dump | •Estimated cost \$100,000 to ? |
| Vehicles | |
| Additional Highway truck | Estimated cost \$ 81,000 |
| Pumper tanker refurbished | Estimated cost \$100,000 |
| Highway truck replacement | Estimated cost \$89,000 |
| Grader replacement | Estimated cost \$150,000 |

Fire truck replacement	Estimated cost \$215,000
Highway truck replacement	Estimated cost \$102,000
Loader replacement	Estimated cost \$115,000

NEW GLOUCESTER MULTI-YEAR CAPITAL IMPROVEMENTS PLAN

What is a capital expenditure?

Capital expenditures include the purchase of buildings, building improvements, major equipment and other items that have a significant value and a useful life of several years. Capital projects are usually financed and approved separately from the annual

operating budget. Examples of capital items include the Town Hall, fire engines, transfer station, streets, recreation facilities, culvert steamer, radio system, etc.

What is a capital improvement plan?

Capital improvement planning involves the scheduling of long-term capital expenditures by the town over a number of years (typically five to ten). For New Gloucester purposes, a capital improvement shall be defined as a capital expenditure that is more than \$3,500 and that will have a useful life of three years or longer.

(Amount amended to \$7,500 5/1/2000 Annual Town Meeting)

What does a CIP usually contain?

- ◆ A list of proposed projects
- ◆ A prioritization of the projects and the year in which each project will be initiated
- ◆ The amount to be expended in each year and the proposed method of financing

What is the scheduling of capital items within a multi-year based on?

- ◆ The identified need for the project in the community
- ◆ The Town's ability to pay for the improvements
- ◆ The importance of the project in comparison with other Town needs

Can a CIP be changed?

It should be understood that the priorities may have to shift due to unexpected emergencies and/or changes in priorities.

Is Capital Improvements planning a new concept?

Capital planning involves the use of foresight, goal setting and strategic planning to allocate financial resources among competing projects. Typically, current budgets are prepared one year at a time by increasing or decreasing the previous year's funding levels on a line item basis, directly opposite to the practice of strategic planning.

Capital improvements planning is currently being put into practice in many communities in Southern Maine that are experiencing the fiscal pressures associated with rapid population growth.

What are the benefits of doing a capital improvement plan?

- The Capital Improvements Plan focuses attention on the needs, goals and financial capabilities of the community.
- The CIP promotes sound financial planning by helping to predict future needs and costs and by reducing substantial fluctuations in the yearly tax rate.

- The bond rating of the community may be established or improved if a CIP is in operation
- Project priorities can be established rationally so that wider community interest, rather than specialized interests are addressed.
- The CIP process can result in better cooperation and understanding between various “layers” of government (Town Manger, Board of Selectmen, Budget Committee. Department Heads, CIP Committee).
- A successfully capital improvements plan can also result in a more efficient governmental administration.
- A capital plan can be a tool to implement the Town’s Comprehensive Plan and to anticipate the needs of growth and development.
- The existence of a capital improvements plan may enhance a community’s eligibility for federal and state grant programs.
- A CIP is a necessary first step in developing impact fees.

How is a capital improvements plan prepared?

The first stage is the preparation of a CIP is the completion of an inventory of existing Town-owned capital items, including age and condition of equipment.

The next state involves the identification of future needs by Town staff and/or committees including a detailed description of the project and the alternatives considered, a justification for the request, an estimate of cost (initial and recurring), an identification of funding sources, and a recommendation for the year in which the items should be purchased.

Requests are then prioritized according to community need by the CIP Committee and then listed in the multi-plan.

Who is on the CIP Committee?

The CIP Committee is a seven-member committee which includes:

- The Town Manager (shall serve as non-voting staff member)
- A Selectman
- 4 New Gloucester residents (appointed by the Selectmen)

Appointed by each respective committee

- 1 Representative for the Budget Committee
- 1 Representative from the Planning Board
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Each representative will serve a minimum two-year term. The Chairperson of the CIP Committee will be elected by the committee on annual bases.

How is the capital improvements plan presented to the community?

The multi-plan represents the long-term strategy of scheduling for local physical improvements. Each year the plan is updated and presented to the Board of Selectmen for approval and, upon their approval, included in the town warrant for community approval at the Town Meeting. It is important to remember that approval of the multi-year plan does not commit funds to these individual projects for a specific period, but instead indicates a ranking of priorities as determined by the committee. The actual appropriation of funds for capital expenditure through the current year's warrant article is a commitment to fund only that year of the multi-year plan. Each year a new CIP Committee approved list will be submitted, with the final decisions made at the New Gloucester Annual Town Meeting.

TOWN OF NEW GLOUCESTER
CAPITAL ITEMS INVENTORY
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TOWN OF NEW GLOUCESTER
CAPITAL PROJECT REQUEST

Department Name: _____ Date Prepared: _____

Submitted by: _____ Title _____

Project Title: _____

Project Description: _____

Justification for Request & Description of alternatives considered: _____

Estimated Cost _____ Estimated cost must include engineering surveying, Architectural design and other professional services. Please list separately. _____

Potential Funding Sources (s): _____

Estimated Recurring Costs if Project is Funded: _____

Year Needed: _____ Department Priority _____

CIP Committee Comments (reserved): _____

	Initials of Reviewer	Approved	Disapproved	Date
Town Manager/Selectmen	_____	_____	_____	_____
Planning Board	_____	_____	_____	_____
CIP Committee	_____	_____	_____	_____

Comments on Back

CAPITAL IMPROVEMENT PROGRAM

ROAD CRITERIA

Step 1. Complete Inventory based on technical evaluation system.

Step 2. Determine use by category

- a. Volume of traffic
- b. Type of traffic
- c. Frequency and pattern of traffic

d. Present and anticipated traffic

Step 3. Safety and/or environment

Step 4. Are there any alternatives to the project i.e. complete vs. phase?

Step 5. Does/will the road meet standards?

Step 6. What are the costs of deferment?

Step 7. Is there any benefit attained from other pending projects

Step 8. Is it a respond to urgent need or opportunity?

Step 9. Does the project fit into current municipal, regional, or state strategies?

Step 10. What are the long-term benefits and costs associated with the project?

Step 11. Is the implementation of the project feasible (what is the timetable)

Step 12. What is the definition of the cost, i.e. planning, etc. (what are the associated costs to the project i.e. extra equipment, extra manpower, etc?)

CAPITAL IMPROVEMENT PROGRAM

EQUIPMENT CRITERIA

1. Urgency of this purchase
 - a) Emergency
 - b) Scheduled
 - c) Anticipated need (does it tie in with other projects)

2. Age and use of equipment
 - a) Present
 - b) Anticipated
 - c) Population served and/or cost effectiveness

3. Parts availability

4. Safety issues
5. Cost of deferment
6. Alternative use
7. Associated Costs
8. Does this equipment respond to a State of Federal mandate

CAPITAL IMPROVEMENT PROGRAM

VEHICLE CRITERIA

1. Need for the vehicle
 - a) Urgent to meet an immediate need in response to safety
 - b) Urgent to meet an immediate anticipated need for safety
 - c) Routine replacement scheduled use, replacement item
2. Age of vehicle, mileage, approximate number of hours per week used
3. Use of vehicle
 - a) Present
 - b) Anticipated
 - c) Population that will be served and/or cost effectiveness(i.e. purchasing a vehicle for town used instead of paying mileage for town employees)
 - d) Is there an alternative use for the vehicle

4. Parts affordable
5. Does this vehicle meet or will the vehicle meet DOT standards
6. Cost of deferment on this vehicle
7. Associated cost of vehicle
8. Source of funding

CAPITAL IMPROVEMENT PROGRAM

PROPERTY PURCHASE CRITERIA

1. What is the use/purpose of this property?
2. Is it a suitable site/location?
3. Is it adequate land for the purpose and future uses?
4. Is the land properly zoned for the intended use?
5. Are the deeds to this land clear? Is the land properly surveyed?
6. What is the urgency of this purchase? Is there lost opportunity if not purchased now?
7. What are the fiscal impacts to the town of purchasing this property? What is the affect on the mil rate?

8. What are the costs vs. the benefits for this purchase?
9. How there any health and safety impacts? i.e. radon/aquifer/prior pollution?
10. What is the community economic value associated with this purchase?
11. What is the possible disruption to the surrounding property with this purchase?
12. What is the feasibility of completing this purchase? Is the price realistic-is the owner agreeable to all conditions of the sale?
13. What is the relation of the purchase of this property in relation to other projects? could other projects coordinate their needs with this project?
14. What is the impact of not purchasing this property?
15. What is the population served?
16. What is the cost of future development (waiting)?

CAPITAL IMPROVEMENT PROGRAM

BUILDING INVENTORY

1. What is the purpose/function of the building? Complete plans/drawings/zone approvals/planning board approvals etc. must accompany request.
2. Is there suitable/adequate land for this building?
3. Explain the urgency of the need or the opportunity available for completing the building now. What is the population served?
4. What are the fiscal impacts of this building purpose? What amount will have to be borrowed and what affect will this have on the mil rate?
5. What are the cots/benefits associated with this? What is the impact of NOT building now? What are the hidden costs and 5 year maintenance plans?
6. What are the health and safety impacts? Any pollution effects?

7. What will be the community economic affect? I.E. added town value?
8. What disruption/inconvenience will be caused by the construction of the building?
9. Does the building plan meet Federal and State and local standards and zoning requirements?
10. Is the construction of this building required for Federal/State/local mandate?
11. What is the feasibility of the project? Does it have public support and can it be ready to go with the budge year?
12. What is the relation of this project to other projects planned? Could this project coordinate with other projects?
13. For a building additional, how much will this add to the useful life of the existing building?

EVALUATION CRITERIA MATRIX

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TOWN OF NEW GLOUCESTER

CAPITAL IMPROVEMENT PLAN

GENERAL PRIORITIES

PRIORITY WILL BE GIVEN IF THE ITEM MEETS THE FOLLOWING:

Capital improvements that will meet emergency health and safety needs

Capital improvements that assist in maintaining the rural character of New Gloucester

Capital improvements that will maintain and improve natural resources/environment such as air and water quality.

Capital improvements that will produce measurable reductions in the town's operating cost.

Capital improvements that will follow the priorities as detailed in the Comprehensive Plan and as recommended in the Town questionnaire results.

Capital improvements that will assist in maintaining the infrastructure of buildings, roads, and bridges.