TOWN OF SUNAPEE

Capital Improvements Program Committee

Charge & Composition

1.) Purpose and Intent

A need has been identified to plan for the orderly implementation and financing of a capital improvements program in a manner which meets the needs of the Town and minimizes fluctuations of the tax rate and the impact thereof upon its taxpayers. In order to address that need there is hereby established a Capital Improvements Program Committee (hereafter the "Committee").

2.) Authority

This Policy is adopted pursuant to Warrant Article 23 of the March 8, 2016 Town Meeting, authorizing the Board of Selectmen (hereafter the "SelectBoard") to appoint such a committee and the authority of the SelectBoard to make policy and issue directives to make and order its prudential affairs. The Committee shall operate under the framework of RSA 674:5, 6, 7 and 8 that set forth herein.

3.) Definitions

Words used in this Policy shall be defined by the common usage under New Hampshire Statute unless otherwise defined herein. Wherever the masculine gender is used it shall include the feminine and vice-versa. Shall is mandatory; may is permissive or discretionary.

4.) Composition & Term

a. Members, Appointment and Removal

The Capital Improvement Planning Committee shall be composed of five (5) permanent members:

One (1) from the SelectBoard,
One (1) from the Advisory Budget Committee, (not a SelectBoard member)
One (1) from the Planning Board, (not the ex officio member)
Two (2) from the at-large residents of the Town, (not members of the ABC committee)

Except as otherwise provided herein, the members shall be appointed by a majority vote of the SelectBoard. The SelectBoard, Advisory Budget Committee and Planning Board members shall each be appointed by their respective bodies. The Advisory Budget Committee and Planning Board may not appoint any person serving upon their respective body in a ex-officio capacity to the Committee. Members may be removed for cause, after notice and a hearing, by the appointing authority.

In addition, thereto, the Town Planner and the Finance Director shall serve as ex-officio non-voting members who shall otherwise enjoy full privileges to participate in the proceedings of the Committee provided that they may not be elected to any officer position nor be counted toward the quorum requirement.

None of the at large members may be employed by the Town in a full-time elected or appointed position to avoid a perception of what some might perceive as a desire on their part to further the interests of their

operational units without giving due consideration to the needs of the organization as a whole.

b. Term of Office

The term of office shall not commence until the member is sworn to the faithful performance of their office by the Town Clerk. The term of Ex-Officio members from the SelectBoard, Planning Board, and Advisory Budget Committee shall end annually upon the date of the Town Election. At-large members shall serve a term of three years to end on March 30th of a given year. The initial appointments shall be made in such a fashion that none of the terms of the permanent members shall expire in the same year. Appointments to fill a vacancy shall be for the period remaining in the unexpired term.

c. Officers

The Committee shall annually elect from amongst its members, at its first meeting following March 30, a Chair and a Clerk. The Clerk shall record all proceedings and act as Chair in the absence of the Chair. In the absence of either officer the longest serving member of Committee shall serve as Chair. Officers shall be eligible for re-election from year to year. Ex officio non-voting members are not eligible to serve as officers of the Committee.

5.) Powers **and Duties**

a. Annual Program

The Committee shall, in the year beginning on January 1, 2017 and then annually thereafter, prepare and submit to the SelectBoard, for their review and consideration, a report recommending a Capital Improvement Program (hereafter the "Program") for a period of no less than the coming six (6) fiscal years, including a Capital Improvement Budget for the next fiscal year, and the financing thereof. The purpose and effect of the Program shall be to aid the SelectBoard and the Advisory Budget Committee in their financial planning and deliberations on annual budget requests.

The Program shall contain the estimated cost of each project and indicate probable operating or maintenance costs and probable revenues, if any, as well as existing sources of funds or the need for additional sources of funds for the implementation and operation of each project. The program may encompass both projects being currently undertaken and future projects to be undertaken with federal, state, county and other public funds. The Program shall classify projects according to their urgency and need for realization, shall recommend a time sequence for their implementation, and shall specifically comment on the relationship of the Program and budget to its consistency with the Town's Master Plan.

The Program shall include only those capital projects and improvements (hereafter the "Project") involving tangible assets and projects which (1) have a useful life of not less than five years and (2) cost over $10,000 [or such other sum which conforms with Statement #34 of the Governmental Accounting Standards Board (GASB 34) or such future equivalent capitalization schedules. It shall be an evasion of this Policy to propose to finance an item meeting the foregoing definitions through normal operations without first submitting the same to the Committee who shall study and report on the same to the SelectBoard forthwith.

The Program shall be submitted to the SelectBoard by September 1st of each year together with filing a copy with the Advisory Budget Committee, the Office of the Town Clerk, and the NH Office of Energy and Planning. In preparing and submitting its annual Program, the Committee shall hold at least one public hearing at least ten (10) days prior to submitting said Program to give warning of the public hearing with no less than ten (10) days notice. A copy of the proposed Program shall be available to the public at the time of the notice being published.

In the time period prior to January 1, 2017, the Committee shall act diligently to: (a) obtain familiarity with the Town's current physical plant, infrastructure, and capital equipment, (b) review the Town's capital expenditures for the past 10 Fiscal Years, (c) review available documents detailing future capital needs including, but not limited to, the Town Master Plan, the Vehicle Replacement Plan and the like, (d) become familiar with state law with respect to how communities may finance Capital Improvements and establish reserves for the same, (e) review how various communities plan and finance their capital improvements, and (f) prepare and distribute an informative procedures manual to all describing the purpose of the committee and the expectations of it by the SelectBoard, what qualifies as a "Capital" expenditure, and how requests will be solicited received, reviewed and ranked, and then dealt with through the budgeting process.

b. Conferring with Town Departments and Agencies

In preparing the Program, the Committee shall annually confer with the School Board and every municipal department, board, or committee to solicit proposals for projects for the coming time period the subject of the Program. With at least thirty (30) days prior notice, the Committee shall solicit proposals for projects, upon forms designated by it, which describe the proposal, costs, operational benefits, cost increases or efficiency to be realized, relationship to the Master Plan or other objectives, proposed sources of grant or other supplementary financing and such other information as the Committee may deem useful to its deliberations.

The committee shall study each proposed capital project, and shall advise the proposing entity concerning the relation of the recommendations of the master plan in relation to the proposed project and the relation of the project to the Capital Improvement Program being prepared. In other matters, the Committee shall confer, in a manner it deems appropriate, with the requesting agencies and such other parties as it deems advisable allowing a reasonable time for response. All Town Departments shall cooperate in making a timely response to any such inquiries.

Proposals which may arise unexpectedly outside the annual solicitation process shall, nonetheless, be submitted to the Committee for its consideration together with an explanation as to why the proposal could not have been submitted during the normal and ordinary course of said process. The Committee shall expeditiously consider and submit to the SelectBoard its review of any such submissions.

c. Action by the SelectBoard

On or before January 1st following the receipt of the Committee's recommended Program, the Committee shall be advised by the Board of Selectmen as to what they are submitting for capital funding requests as part of the coming fiscal year budget.

d. Expenditures Authorized or Controlled

The SelectBoard shall not request an appropriation at a Town Meeting for a capital improvement purchase or project unless the proposed capital improvement or project has been submitted to the Committee for its consideration. This provision is not applicable to any capital improvements placed on the Town Meeting warrant by citizen petition or otherwise governed by statute. Each capital request not recommended by the CIPC will appear on the warrant as a stand-alone warrant article.

Such Capital Improvement Program, after its approval by the SelectBoard, shall permit the expenditure on projects included therein from departmental budgets for preliminary or ancillary matters relating to the project or purchase, such as for surveys, architectural or engineering advice, options or appraisals; but no such expenditure shall be incurred which has not been so approved by the Town through the appropriation of sums in the current fiscal year or in prior years, or for preliminary planning for projects to be undertaken

more than five years in the future.

e. Annual Report Publication and Filing

The Committee shall file a copy of its Report and shall be published and made available in a manner consistent with the distribution of the Advisory Budget Committee Report. The Committee shall file its original Report with the Town Clerk. The Committee shall also file an executive summary of its annual activities for inclusion in the Annual Town report.

6.) Severability

The provisions of this Policy shall be severable. If any portion of this Policy is determined by any court of competent jurisdiction to be unenforceable or illegal, then all other portions of this Policy not expressly found to be unenforceable or illegal shall remain fully in effect.

7.) Effective Date

This Policy is effective upon adoption and supersedes all previous Policies or polices relative to or in conflict with this matter and the procedures described herein.

Approved and adopted this 22nd day of August, 2016, by a vote of 5 in favor and Ø opposed.

Certified as to a True and Accurate Vote

Joshua Trow, Chairman
Sunapee SelectBoard