

# **CAPITAL IMPROVEMENTS PROGRAM 2006-2012**

## **TOWN OF KENSINGTON, NEW HAMPSHIRE**

**Prepared For:**

**The Kensington Planning Board**

**By the Rockingham Planning Commission**

**2006**

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

#### **I. INTRODUCTION**

Town officials in Kensington, 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 chapters 674:5-7 provides 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. The Kensington Selectmen have authorized the Planning Board to prepare the CIP with the assistance of the Rockingham Planning Commission.

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 (typically six) recommended program of major capital projects and expenditures. The document must also classify projects according to urgency and need and must contain a time sequence for implementation, according to RSA 674:6. Input from department heads, recommendations in the Master Plan, and the consideration by the Planning Board of overall community perspective is used in prioritizing projects.

RSA 674:5 states that "the sole purpose and effect of the Capital Improvements Program shall be to aid the mayor and the budget committee in their consideration of the annual budget."

### **KENSINGTON CAPITAL IMPROVEMENTS PROGRAM**

The Kensington Capital Improvements Program is a budgetary document that schedules all anticipated major Town expenditures for a period of six years. For each expenditure scheduled, the document includes a fiscal analysis that aids in prioritizing that project. The document should also include review of relevant master plan chapters to determine whether there are advance planning costs, engineering, special studies, land acquisition or other short term investments that need to be made in the near future in order to support longer-term capital needs, and whether current facilities will be adequate to serve the needs of future residential and commercial growth in the community. 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 Kensington.

For the purpose of this document a capital improvement is to be defined as: a major expenditure for public facilities having a gross cost of more than \$20,000; having a useful life of five years or more; considered beyond the scope of normal annual operating expenses; or any project that requires bond financing. Examples of such improvements include:

- Buildings, such as municipal complexes, community centers, libraries, and public works buildings
- Cemeteries
- Drainage facilities
- Equipment and machinery with a useful life of greater than 3 years
- Land acquisition for public purpose such as conservation
- Major building or facility renovations and repairs
- Parks and playgrounds
- Road renovations resulting in long-term improvement in road capacity or conditions
- Sidewalks and curbs
- Special studies such as resource assessments or development of a Master Plan
- Vehicles

### **Advantages of a CIP**

A Capital Improvements Program offers many advantages including the following:

1. Stabilizes year-to-year variations in capital outlays.
2. Makes pre-emptive acquisitions more feasible and defensible (e.g., land acquired for town uses such as water supply, waste disposal, and recreation).
3. If used in conjunction with capital reserve funds, can offset a fraction of capital expenditures by reducing interest payments.
4. Enables town to establish growth control measures in conjunction with a master plan, per RSA 674:22 or impact fees in accordance with RSA 674:21.
5. Facilitates implementation of the master plan through scheduling of proposed projects over a period of time. This type of programming can eliminate duplication and a random approach in making capital outlays.
6. Furnishes a total picture of the municipality's major needs, discourages piecemeal expenditures, and serves to coordinate the activities of various departments.
7. Establishes priorities for projects on the basis of needs and costs, and permits anticipation of revenues and expenditures.
8. Serves as a public information tool by explaining to the public the Town's plans for major expenditures.

In a cooperative effort, the Planning Board, Board of Selectmen and Budget Committee review the CIP and make desired revisions prior to adoption. After a public hearing is held, the Planning Board adopts the CIP. As the guide for capital projects over a six year period, the first year of the program is envisioned as a trial run for the capital budget which, when combined with the operating budget, is the total municipal budget for the year.

Once the program has been adopted, it is reviewed and updated annually by the Planning Board in conjunction with the Budget Committee and the Board of Selectmen. 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.

## **III. GROWTH IN KENSINGTON AND THE REGION**

### **A. Population**

In order to properly predict future capital expenditures, the Capital Improvements Program must include consideration of the changing demographics of the Town as well as the recommendations of the Master Plan concerning future capital expenditures that may be needed. This section thus begins with a consideration of the population growth in Kensington and the region.

As has been the case with most communities in Southern New Hampshire, Kensington has experienced steady growth in the last decade. The Table below presents a comparison of the population histories for Kensington, the RPC region and the State of NH. This places the growth of Kensington in context with the surrounding region and state. It is presented here for informational purposes to properly frame the population growth issue and history.

**Table 1 Population**

Town	1980	1990	2000	Average Annual % Change 1980-1990	Average Annual % Change 1990-2000
Atkinson	4,397	5,188	6,178	1.7%	1.8%

Brentwood	2,004	3,590	3,197	2.6%	2.1%
Danville	1,318	2,534	4,023	6.8%	4.7%
E. Kingston	1,135	1,352	1,784	1.8%	2.8%
Epping	3,460	5,162	5,476	4.1%	0.6%
Exeter	11,024	12,481	14,058	1.2%	1.2%
Fremont	1,333	2,576	3,510	6.8%	3.1%
Greenland	2,129	2,768	3,208	2.7%	1.5%
Hampstead	3,785	6,732	8,297	5.9%	2.1%
Hampton	10,493	12,278	14,937	1.6%	2.0%
Hampton Falls	1,372	1,503	1,880	0.9%	2.3%
<b>Kensington</b>	<b>1,322</b>	<b>1,631</b>	<b>1,893</b>	<b>2.1%</b>	<b>1.5%</b>
Kingston	4,111	5,591	5,862	3.1%	.5%
New Castle	936	840	1,010	-1.1%	1.9%
Newfields	817	888	1,551	0.8%	5.7%
Newington	716	990	775	3.3%	-2.4%
Newton	3,068	3,473	4,289	1.2%	2.1%
N. Hampton	3,425	3,637	4,259	0.6%	1.6%
Plaistow	5,609	7,316	7,747	2.7%	0.6%
Portsmouth	26,254	25,925	20,784	-0.1%	-2.2%
Rye	4,508	4,612	5,182	0.2%	1.2%
S. Hampton	660	740	844	1.2%	1.3%
Salem	24,124	25,746	28,112	0.7%	0.9%
Sandown	2,057	4,060	5,143	7.0%	2.4%
Seabrook	5,917	6,503	7,934	0.9%	2.0%
Stratham	2,507	4,955	6,355	7.1%	2.5%
Windham	5,664	9,000	10,709	4.7%	1.8%
<b>REGION</b>	<b>124,145</b>	<b>161,071</b>	<b>178,997</b>	<b>2.6%</b>	<b>1.1%</b>
<b>STATE OF NH</b>	<b>920,475</b>	<b>1,109,117</b>	<b>1,235,786</b>	<b>1.9%</b>	<b>1.1%</b>

Source: U.S. Census

## B. Housing

The growth of Kensington's housing stock is also an important consideration. Table 2 compares Kensington's total housing growth with the rest of the region for the years 1990 and 2000.

**Table 2 Housing Units**

Town	1980	1990	2000	Average Annual Growth Rate 1990-2000
Atkinson	1,424	1,885	2,431	2.6
Brentwood	582	776	920	1.7
Danville	439	960	1,479	4.4
E. Kingston	370	507	648	2.5
Epping	1,217	2,059	2,215	0.7
Exeter	4,401	5,333	6,107	1.4
Fremont	463	920	1,201	2.7
Greenland	733	1,074	1,244	1.5
Hampstead	1,330	2,661	3,276	2.1
Hampton	4,444	8,602	9,349	0.8
Hampton Falls	483	591	729	2.1
<b>Kensington</b>	<b>450</b>	<b>581</b>	<b>672</b>	<b>1.4</b>
Kingston	1,483	2,115	2,265	0.7
New Castle	352	408	488	1.8
Newfields	280	323	532	5.1
Newington	257	328	305	-0.7
Newton	1,047	1,251	1,552	2.2
N. Hampton	1,252	1,492	1,782	1.8
Plaistow	1,825	2,691	2,927	0.8
Portsmouth	9,872	11,369	10,186	-1.1
Rye	1,867	2,434	2,645	0.8
S. Hampton	221	267	308	1.4

Salem	8,420	9,897	10,866	0.9
Sandown	732	1,488	1,777	1.8
Seabrook	2,520	3,469	4,406	2.4
Stratham	843	1,917	2,371	2.1
Windham	1,746	3,327	3,906	1.6
<b>REGION</b>	49,052	68,727	76,587	0.8
<b>STATE of NH</b>	349,001	504,541	546,524	0.8

Source: U.S. Census

### C. **Master Plan Chapters**

Kensington's Master Plan provides recommendations in several sections that are relevant to the CIP. Chapters on land use, housing, and community services and facilities each discuss the issue of the impact of future growth on the town and the town's ability to serve the needs of new residents and businesses. The following section discusses the main issues raised by the Master Plan. In considering the future capital needs of the Town of Kensington, this information is useful in providing a longer-term picture of the goals and recommended actions of the Town. When considering the prioritization of expenditures, reviewers should also reference the Master Plan's recommendations to ensure consistency between the Master Plan and CIP.

#### **Housing**

The recommendations in the housing chapter of the Master Plan do not suggest any needed capital investments.

#### **Land Use**

Although the recommendations in the land use chapter of the Master Plan do not directly suggest any needed capital improvements, this chapter does discuss town facilities including the Town Hall, Library, Elementary School, Grange Hall, Cemetery and Fire Station, which are currently located along route 150. The chapter also discusses the relative mix of residential to commercial property as well as land in current use and recreational and agricultural land. Therefore, it is recommended that any capital purchases which would impact the above land use attributes should be preceded by a review of the land use chapter to ensure consistency with the Master Plan.

#### **Community Services and Facilities**

The Community Services Chapter of the Master Plan contains several recommendations that are relevant to the CIP section of the master plan:

- **Athletic Fields.** Currently all Town athletic fields are at maximum usage during peak sport seasons. Loss of school fields coupled with anticipated community growth would make the situation significantly worse. The Town should continue to work with landowners in town to explore ways in which parcels might be donated or reasonably purchased by the Town for use as public parks and athletic fields.
- **Community Center.** Creation of an indoor community center is highly recommended. A multi-purpose room on the school allows costs to be shared as a single structure can be used as a gymnasium, cafeteria, and auditorium and is one possible solution.
- **Pedestrian and Cyclist Safety/Roads.** The town should consider widening and maintenance of road shoulders or construction of a bike path in some of the dangerous traffic areas to increase the safety of bikers, joggers, and pedestrians.
- **Services for Senior Citizens and Teens.** As population increases the need to provide services to citizens other than the elementary school-age children will increase. This could require facilities, budget, and staff to provide programs appropriate for all residents including Senior Citizens and Teens.
- **Water and Sewer.** The Town may consider working with Seabrook to provide extensions to the Seabrook water and sewer systems along the abutting parts of the Town, particularly in the commercially zoned district to increase commercial development potential.

#### **Natural Resources**

The Natural Resources Chapter recommendations that are pertinent to the CIP are as follows:

- **Rural Character and Quality of Life.** The Town should work to preserve existing scenic areas in order to maintain rural character, aesthetics, and overall quality of life.
- **Agricultural Heritage.** The Town should encourage and, where necessary, purchase conservation and agricultural easements in order to preserve its agricultural heritage. Farmland areas are important in food production, as an element of the local economy, for their scenic and ecological value, and their contribution to our "sense of place." Regulation should be reviewed to ensure that they are farm-friendly.
- **Ecological Diversity.** Land protection efforts should be focused on preserving a diversity of vegetation and physical land features in order to encourage species and habitat diversity. Lands protected should be large enough so that habitat changes can occur naturally and create a variety of habitats over time.
- **Build-out and Wildlife Habitat.** The Town should undertake a build-out analysis based on current zoning and land-use regulations. Placing an overlay of the build-out on the significant habitat map can demonstrate how current regulations either protect or threaten these habitats.
- **Fragmentation.** Bigger is better when it comes to keeping common species common and for providing adequate space for species with large ranges like bear and moose. To the extent possible, the Town should avoid upgrading existing roads (such as class 6 roads) or constructing new ones, which serve to fragment open space.

· **Trail System.** Kensington should set up a municipal trail system than would lead to the development of a town-wide interconnected trail system on public and private lands.

· **Impact Fee.** The Town should implement a Development Impact Fee system so that new developments will contribute to the costs incurred by the local school system from the added students that come with additional houses.

Consideration of the above recommendations may be helpful to the Town when reviewing the prioritization of specific capital improvements. For example, the Town may wish to add some items to the plan which department heads may have overlooked, or the Town may wish to plan for a method financing over time some of the items discussed above.

#### IV. FISCAL ANALYSIS

##### A. Revenues

A summary analysis of Kensington's revenues for the past six years is presented in the tables below.

Source: Budget for the Town of Kensington, Town Annual Report

Year	Receipt Category	Receipt Amount	Total Receipts from all Sources
2000	Taxes*	39,063	579,397
	State Revenues	91,170	
	Licenses/Permits	353,594	
	Services	41,715	
	Miscellaneous**	53,855	
2001	Taxes*	103,272	695,548
	State Revenues	100,849	
	Licenses/Permits	425,093	
	Services	31,241	
	Miscellaneous	35,093	
2002	Taxes*	121,111	729,228
	State Revenues	109,085	
	Licenses/Permits	432,425	
	Services	47,489	
	Miscellaneous	19,118	
2003	Taxes*	150,314	712,880
	State Revenues	54,418	
	Licenses/Permits	440,722	
	Services	54,231	
	Miscellaneous	13,195	
2004	Taxes*	261,588	929,314
	State Revenues	180,204	
	Licenses/Permits	434,992	
	Services	39,818	
	Miscellaneous	12,712	
2005	Taxes*	156,714	894,568
	State Revenues	132,261	
	Licenses/Permits	456,146	
	Services	31,156	
	Miscellaneous	118,291	

\* Property taxes are not included in the Town Budget contained in the Annual Report. This information appears in the following table.

\*\*Does not include interfund operating transfers

Source: Town Report, Treasurer's Report

	2000	2001	2002	2003	2004	2005
Total Property Taxes	2,678,651	2,941,260	3,454,648	3,878,372	4,619,029	4,931,362

##### B. Town Expenditures

Source: Comparative Statement of Appropriations and Expenditures, Annual Reports

	2000	2001	2002	2003	2004	2005
Capital Outlay	130,519	59,366	135,018	83,924	316,856	256,084
Warrant Articles						
Total Budget Expenditures	744,726	816, 183	858,520	1,032,767	1,042,554	1,104,900
	2,077,329	2,453,910	2,678,830	3,597,476	3,066,756	@4,359,472

Payments to School District						
Payments to Rockingham County	168,817	231,523	247,426	275,079	291,274	293,421
<b>Total Expenses</b>	<b>3,121,391</b>	<b>3,560,982*</b>	<b>3,919,794</b>	<b>4,989,245</b>	<b>4,717,440</b>	<b>6,013,877</b>

\* town report shows 3,560,889. Discrepancy may be due to rounding of capital outlay warrant articles in the amount of \$93.00.

@includes payments to Kensington Elementary School

	2000	2001	2002	2003	2004	2005
Executive	41,653	59,242	62,974	55,019	55,316	54,694
Election, Registration, Vital Statistics	11,628	11,588	20,654	20,493	24,148	21,128
Finance Administration	45,459	37,318	43,159	38,616	49,598	53,357
Revaluation of Property	---	---	---	74,271	---	---
Legal Expense	14,132	37,197	63,605	21,851	50,446	20,141
Personnel Administration	26,598	41,816	48,647	56,499	54,199	57,681
Planning and Zoning	19,066	16,793	9,621	7,291	13,253	12,742
General Gov. Buildings	22,456	27,455	11,173	16,758	12,727	16,283
Cemeteries	8,278	8,372	7,857	10,195	10,958	10,547
Insurance	19,564	20,461	20,037	25,486	20,352	26,188
General Gov. Operations			11,881	20,841	12,925	14,281
Police Department	164,077	197,604	221,721	233,108	248,995	271,716
Fire Department	46,256	30,111	32,669	83,280	88,676	83,555
Fire Truck Lease	---	---	---	---	---	---
Building Inspection	9,076	12,158	11,171	17,088	13,342	13,819
Emergency Management	---	86	635	1,405	440	520
Highways, Streets and Bridges	121,066	124,150	119,400	167,995	162,055	226,399
Sanitation	106,109	104,687	107,045	111,026	132,339	123,258
Health	---	---	575	---	---	---
Welfare	758	321	---	4072	1,950	---
Culture and Recreation	59,258	59,599	64,151	63,160	68,592	81,792
Conservation	205	591	225	425	212	490
Debt Service	---	---	---	---	---	---
Other	3,451	---	1319	---	22,031	---
Conservation Fund	5,636	---	---	---	---	---
Capital Reserve	20,000	---	---	---	---	---

## Operating Expenditures

## V. CAPITAL PROJECTS

This section identifies the capital expenditures anticipated over the next six years. Within this time frame other projects will be identified which will be of high priority and warrant immediate inclusion in the Town's capital spending plan. It is highly unlikely that all such expenditures can be readily identified six years in advance. Thus, spending priorities identified in this plan for the year 2006 may not remain the same six years into the future, although every effort should be made to adhere to a plan.

Likewise, the plan has been designed to be as realistic, practical and feasible as possible. The CIP should not, and does not, constitute a "wish list" of desirable but unlikely spending and improvements. In preparing and accepting this document the Planning Board accepts the responsibility and obligation of making all good faith efforts to see that the plan is adhered to. It should, however, be recognized that the plan does not have the force of law and cannot commit or bind future administrations or officials of the Town of Kensington to the long range spending plans of their predecessors.

## A. 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, and equipment purchases under \$2,000. 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 include funds for highway aid from the NH Dept. of 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 raised funds.

## B. 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 Kensington's case, the department heads prioritized the projects; a project indicated as essential was scheduled first. **Kensington Capital Improvement Plan 2006 - 2012** shows anticipated capital projects for the next six years. The projects have been scheduled as submitted by the 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 Section A above.

Requests for capital projects were solicited from each of the Kensington'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.

Department	Project Description	Priority	Total Project Cost	Total Depart Cost	2006	2007	2008	2009	2010	2011	2012
<b>Animal Control</b>											
Cemetery	Acquire 2-3 acres for future cemetery expansion ****	No date given	60,000			10,000	10,000	10,000	10,000	10,000	10,000
Cemetery	<b>TOTAL</b>			60,000	-	10,000	10,000	10,000	10,000	10,000	10,000
Conservation Commission	Purchase land for addition to open space network ****	No date given	360,000			60,000	60,000	60,000	60,000	60,000	60,000
Conservation Commission	<b>TOTAL</b>			360,000	-	60,000	60,000	60,000	60,000	60,000	60,000

<b>Emergency Management</b>											
Fire Dept.	Pumper truck (line item in current operation budget)		200,000		35,000	35,000	35,000	35,000	60,000		
Fire Dept.	Replace Lifepack for Ambulance		20,000				20,000				
Fire Dept.	Hire 2 fulltime FFs/EMT's		50,000					50,000			
Fire Dept.	Replace 1969 Forestry		50,000						25,000	25,000	
Fire Dept.	Replace Turnout Gear		40,000							40,000	
Fire Dept.	Replace 15 Airpacks		50,000						25,000		25,000
Fire Dept.	Replace 1986 Tanker		-								
Fire Dept.	Hire 2 fulltime FFs/EMT's		50,000								50,000
Fire Dept.	Replace Base Station, Portable, Mobile Radios		-								
Fire Dept.	New Station		-								
Fire Dept.	Capital Reserve?		-								
Fire Dept.	<b>TOTAL</b>			460,000	35,000	35,000	55,000	85,000	110,000	65,000	75,000
<b>Grange Hall</b>											
<b>Highway/Road Agent</b>			1,400,000	1,400,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
<b>Library</b>	Update heating systems	No date given No amount given	-	-							
<b>Planning Board</b>				-							
Police Department	Cruiser Replacement Program	1	85,000		18,000	18,000	18,000	5,000	26,000		
Police Department	Public Safety Building	2	25,000								25,000
Police Department	Computer Network Upgrade	3	5,888			5,888					
Police Department	Cruiser Laptop Replacement	4	5,000				5,000				
Police Department	<b>TOTAL</b>			120,888	18,000	23,888	23,000	5,000	26,000	-	25,000
Recreation Department	Expansion of Town Park Costs for maintenance only, land & improvements gifted to town	No date given	90,000			15,000	15,000	15,000	15,000	15,000	15,000
Recreation Department	<b>TOTAL</b>			90,000	-	15,000	15,000	15,000	15,000	15,000	15,000
<b>Recycling</b>											
<b>Town Clerk</b>											
<b>Town Offices</b>											
<b>Trails Assoc.</b>											
<b>ZBA</b>											

Total Depart Cost	2006	2007	2008	2009	2010	2011	2012
2,490,888	253,000	343,888	363,000	375,000	421,000	350,000	385,000

**Grand Totals**  
 \*Fire Department Capital Reserve  
 \*\*From Ambulance Fund  
 \*\*\*1/2 from Ambulance Fund  
 \*\*\*\* bond payments

## FISCAL POLICIES

One of the main purposes of the CIP, as explained above, is to stabilize future tax rates by anticipating capital needs and then timing the appropriations for these capital needs in a reasonable manner. This final section of the CIP offers a number of fiscal policies or guidelines that the Town may wish to take into account when updating the CIP. These policies, based upon various ratios, will provide the Planning Board, Board of Selectmen and the Budget Committee with a foundation from which to begin making decisions about future capital expenditure programs. Each section below offers a table that analyzes both historic and projected town finances. Based upon these analyses, a ratio for each category has been developed. An important consideration for the Planning Board is that the projections displayed are entirely dependent upon recent historical conditions in Kensington. Hence, these projections are based upon various assumptions; and in order for the CIP to be as accurate as possible, the CIP must be kept up to date.

### Ratio of Capital Expenditures to Total Budget.

**Policy One:** The ratio of capital expenditures to total municipal budget (excluding schools) should not exceed 13%. *(this is the average percent increase historically)*

Year	Capital Expenditures	Total Municipal Budget	Ratio
2000	121,200	<u>744,726</u>	16 percent
2001	49,438	<u>816,183</u>	6 percent
2002	58,350	<u>857,200</u>	7 percent
2003	54,374	<u>1,028,879</u>	5 percent
2004	322,888	<u>1,019,925</u>	32 percent
2005	144,000	<u>1,088,592</u>	13 percent

*Does the budget include all appropriations or is it simply the budget line Total Budget*

### Ratio of Capital Expenditures to Equalized Valuation



Policy Two: The ratio of capital expenditures to equalized valuation should not exceed 0.15% for total capital projects.

Year	Capital Expenditures	Equalized Assessed Valuation	Ratio
2000	121,200	167,409,991	.07%
2001	49,438	203,766,820	.02%
2002	58,350	252,121,279	.02%
2003	54,374	290,290,168	.01%
2004	322,888	318,470,781	.10%
2005	144,000	---not available	---

**C. Annual Increase of Property Taxes to be Raised**

Policy Three: The dollar amount raised from property taxes should not increase by more than **12.9 percent** (this is the average increase over the past five years) from one year to the next.

Year	Property Tax	Percent Increase from Previous Year
2000	2,678,651	---
2001	2,941,260	9.8%
2002	3,454,648	17%
2003	3,878,372	12%
2004	4,619,029	19%
2005	4,931,362	6.7%