

Town of Hancock

# Capital Improvements Program

**Supplement**

November 2013

## **Introduction**

In December 2004, this Committee submitted a Capital Improvements Program report. Among other things, it made the following recommendation:

We urge our successors to update the CIP frequently. Each year, all town departments and committees should submit information for the new sixth year, along with any recommendations for revisions to prior years projects if necessary. Every few years, Hancock's demographic, financial and statistical data should be updated by the Planning Board or CIP Committee, and the trends should be studied in light of the long term planning goals of the town.

This brief report implements that recommendation for the current year, 2013.

## **Population Trends and Projections**

As we reported last year, the census returns for 2010 showed a decrease in population since the 2000 census of 85 people or 5% of the population, resulting in a 2010 population of 1,654.

This decline was particularly striking among the younger population where the absolute number of younger children declined by 137 (38%) and their proportion relative to the general population also fell. Hancock is rapidly aging.

During the same period, the *housing stock* increased from 814 to 864, or by 50 units (or 6%). Of the 864 total houses, 140 were vacant on census day in 2010. Of these, 91 were seasonal residences and 34 were "in transition" – that is, being held for sale or rental – leaving only a small number truly vacant.

## **Municipal Financial Projections**

During 2013, Hancock's municipal departments have continued to experience unusual financial strains, largely due to the aftermath of the near collapse of the financial markets and a resulting virtual recession in late 2008. State and federal funding for municipal activities has been curtailed. The NH statehouse has downshifted substantial financial responsibilities to local governments and school districts while the US Congress has been

dysfunctional, falling in the public esteem to levels not seen since the Great Depression. In the face of this, the town – like all local governments - is tightening its belt.

In late 2013, the Committee re-canvassed other contributors to this report to update their financial projections for capital expenses expected over the next six years. In October and November, all contributors were asked by telephone call, visit or e-mail to provide updated information. Notes of these contacts are appended to the archive copies of this report.

The information collected is summarized in the table appended to this report which supersedes Exhibit #8 in the 2004 Report and by the following notes which supplement the 2004 through 2012 Reports.

*Direct but Presently Non-Quantifiable Capital Requirement:*

*Conservation Commission:* No capital expenditures are anticipated at this time.<sup>1</sup>

*Police Department:* Apart from the replacement of police patrol vehicles, the Police Department suggests the following as priority capital items.<sup>2</sup> It is uncertain when they will be brought forward as part of a town budget:

- Chief Wood would like to acquire an all terrain vehicle (“ATV”) for use on trails where other police vehicles cannot be used without risk of damage or injury. Chief Wood suggests that the cost would be in the range of \$5,000 to \$12,000. Such a vehicle would allow officers to respond to vandalism and trail emergencies and to haul equipment to remote locations.
- Additional space in the police station, possibly at the back of the existing police building, to provide additional office space for confidential interviews and report writing upstairs and additional garage space below. No costings have been prepared but might be in the range of \$50,000;

*Fire Department:* The Fire Department does not have plans for capital expenditures which would call on taxpayer funds within the next five years.<sup>3</sup>

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<sup>1</sup> Interview by Alison Rossiter with Eric Masterson, Chairman (November 2013).

<sup>2</sup> Interview by Rich Lefebvre with Chief Andy Wood (October 2013).

*Commons Commissioners:* The Commons Commission has completed restoration of the bandstand and will not ask for any additional funding from the town taxpayers during the period of this report.<sup>4</sup>

*Library:* The Library Trustees intend to replace carpeting at a cost of about \$20,000 but at present do not have a timetable.<sup>5</sup>

*Recreation Department:* The department has requested a budget allocation of \$600 for the current year relating to an equipment shed for the camp program. It has no other pending plans.<sup>6</sup>

*Selectboard:* The board is in the midst of a five-year town-wide property revaluation as required by RSA 21-J and started last year. The total estimated cost of about \$80,000 is shown, for this purpose, at \$16,000 per year.<sup>9</sup>

The Selectboard has also established a Bridge Capital Reserve Fund and intends to contribute \$5,000 in 2014.<sup>10</sup> Kurt Grasset reports that this figure should be raised to \$20,000 per year following 2015.<sup>11</sup>

A committee has been established to investigate the feasibility and cost of refurbishment of the Meeting House, an historical building which is owned, in part, by the town and in part by the Hancock First Congregational Church. Roof and steeple repairs are needed as well as some structural work and replacement of aging mechanical components. Preliminary estimates indicate that the total cost will be in the neighborhood of \$1 million. How this will be funded is uncertain but appeals will be made to grant funding agencies (especially NH LCHIP), the church community, the public and others as well as the town itself. The Selectboard had established a Meeting

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<sup>3</sup> Interview by Hunt Dowse with Nevin Cassidy (November 2013).

<sup>4</sup> Interview by Alison Rossiter with Alison Kerwin, Chairman (November 2013).

<sup>5</sup> Interview by Hunt Dowse with Amy Markus (November 2013)

<sup>6</sup> Interview by Alison Rossiter with Kary Shumway (November 2013).

<sup>9</sup> See 2012 Report.

<sup>10</sup> See 2012 Report.

<sup>11</sup> Interview by Larry Schwartz with Kurt Grasset (November 2013)

House Capital Reserve Fund in 2010. The balance in this account at the end of September, 2013, was \$ 25,353.86.<sup>12</sup>

Two additional items are known but not presently quantified:

- The Town Barn will require a sprinkler system or, alternatively, the town will require a separate building to replace part of the functions of the town barn. No schedule exists and no costings have been obtained.<sup>13</sup>
- The boat landing at Nubanusit will require substantial work. No schedule exists and no costings have been obtained.<sup>14</sup>

*Other Matters not directly affecting the town Capital Budget*

*Post Office:* The Post Office does not anticipate any capital requirements during the period of our report.<sup>15</sup>

*Cemetery Trustees:* The Cemetery Trustees expect to carry out engineering studies (\$3,000) in 2013 and regrading works in 2015 (\$30,000).<sup>16</sup>

*Water Department:* The water department will install a secondary disinfection back-up system by 2014, as required by the state. Funds were approved at the March 2013 Town Meeting. Funds will be obtained via a bond raised and paid by water users, not taxpayers. No additional capital projects are planned.<sup>17</sup>

*School District:* We reported last year that the Conval School District was considering a series of options relating to reorganization of the school district. Its favored proposals were defeated at the March 2013 elections. The problem remains: because of declines in school-aged population, the District is not using existing classroom space in an economically or pedagogically efficient way.

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<sup>12</sup> Interview by Stephen Froling with Barbara Caverly, Town Administrator (November 25, 2013).

Interview by Rich Lefebvre with Selectboard (November 2013)

<sup>13</sup> See 2012 Report

<sup>14</sup> Interview by Rich Lefebvre with Selectboard (November 2103)

<sup>15</sup> This conclusion carries over from Stephen Froling's interview with Elaine Merritt, Post Master, in November 2012. Elaine has not been available for another interview.

<sup>16</sup> Interview by Larry Schwartz with Kurt Grassett (October 2012)

<sup>17</sup> Interview by Alison Rossiter with Sean Kerwin (November 2013).

It is also worthy of note that the elementary school population in Hancock has fallen to about 66 students<sup>18</sup> (spread over four grades) a figure which is less than ideal from a financial or educational perspective.<sup>19</sup>

The Board is also considering a proposal to repave the second half of the ConVal High School parking lot. No definite proposals have been put forward as to cost or timing.<sup>20</sup>

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<sup>18</sup> Interview by Stephen Froling of Mary Ann (November 25, 2013)

<sup>19</sup> See 2012 Report. Interview by Stephen Froling with Pierce Rigrod, School Board Member (October 2013).

<sup>20</sup> Email from Pierce Rigrod, Hancock School Board Representative (October 2013)

Exhibit 8 revised

Departments and Capital Items	Aggregate Cost of Multi-Year Projects	Financing Method <sup>21</sup>						
			2014	2015	2016	2017	2018	2019
<b>Highway Department<sup>ii</sup></b>								
Loader	\$130,000	Bond					\$26,000	\$26,000
F-550		Bond	\$26,000	\$26,000	\$26,000	\$26,000		
International (rebuild)				\$30,000				
Truck Leasing		Lease			\$20,000	\$20,000	\$20,000	\$20,000
<b>Bridge Maintenance</b>								
Old Dublin Road			\$35,000 <sup>23</sup>					
Longview Road		Bond?					\$160,000 <sup>24</sup>	
<b>Road Projects</b>								
Phase II						\$90,000	\$90,000	
<b>Transfer Station</b>								
Forklift								
Storage Shed								

<sup>21</sup> Generally, the Town proposes to finance by direct taxation in the incurred except for items in excess of \$100,000 which it proposes to bond.

<sup>23</sup> From a Capital Reserve Fund

<sup>24</sup> The net impact should be substantially less since these funds will be drawn largely from a Capital Reserve Fund and state reimbursement.

<b>Town Buildings</b>									
Meeting House - Reconstruction	\$850,000	Bond							
Paint Post Office				\$19,500					
<b>Town Cemeteries</b>									
Engineering			\$3,000						
Regrading				30,000					
<b>Police Department</b>									
New Cruisers				\$35,000			\$35,000		
<b>Library</b>									
Carpet				\$20,000					
<b>Selectboard</b>									
Revaluation	\$80,000		\$16,000	\$16,000	\$16,000	\$16,000	\$16,000		
Bridge Capital Reserve Fund			\$5,000	20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Meetinghouse Capital Reserve Fund			\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
<b>Existing Bond Obligations</b>									
2007 Bond (Prospect Hill Land)	\$377,403	Bond	\$44,300	\$44,300	\$44,300	\$44,300	\$44,300	\$44,300	\$44,300
2011 Bond (Prospect Hill Roads)		Bond	\$75,885	\$74,110	\$72,336				
<b>Total</b>			\$134,300	\$276,800	\$131,300	\$221,300	\$400,300	\$115,300	