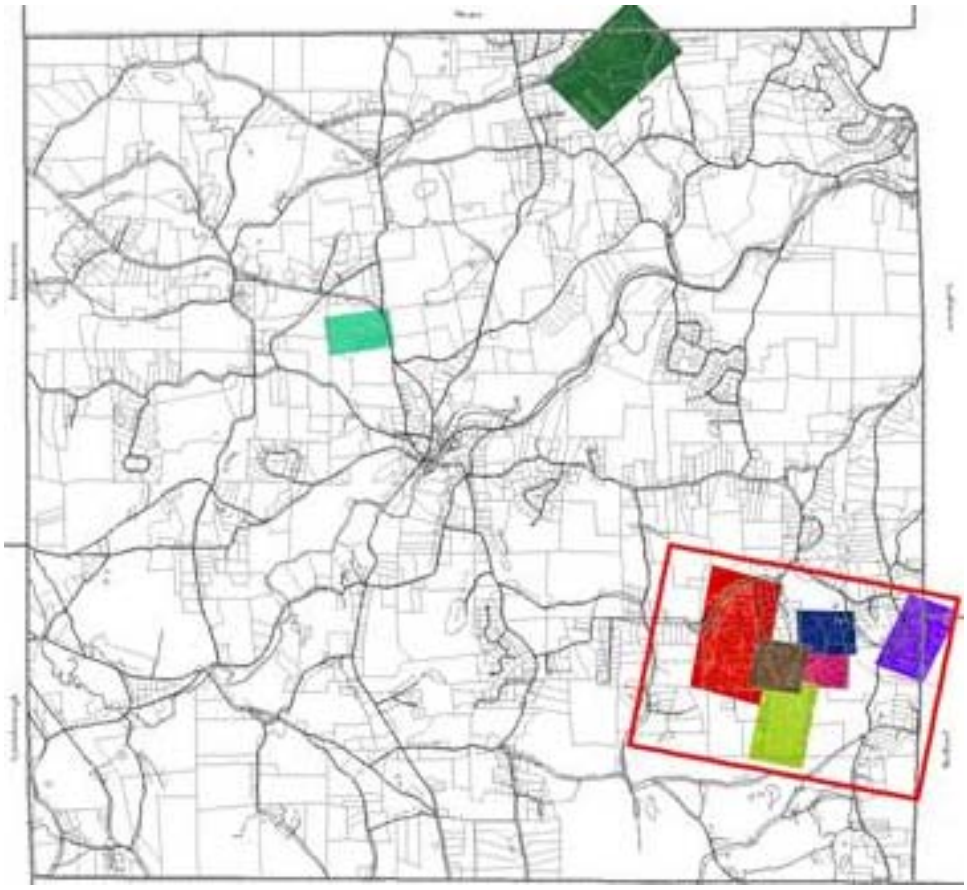
Town of New Boston



Fiscal Impact Analysis and Impact Fee Feasibility Study

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Final DRAFT

Prepared for
The New Boston Planning Board and
Board of Selectmen

Prepared by
Southern New Hampshire Planning Commission

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Department Heads
John Riendeau, Road Agent
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Burr Tupper, Conservation Commission
Gerry Cornett, Transfer Station Manager
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Wayne Blassberg, Fire Ward
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Chris Krajenka, Police Chief
Burton Reynolds, Town Administrator
Mike Sindoni, Recreation Director
Rick Mathews, Principal, NBCS
Ken Lombard, Open Space Committee

Planning Office
Nic Strong, Planning Coordinator

Assessing Office
Kim Burkhamer
George Hildum

Selectmen
Gordon Carlstrom
David Woodbury

Planning Board
Stuart Lewin

Southern New Hampshire Planning Commission Staff:
Jack Munn, AICP, Chief Planner

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Town of New Boston: Fiscal Impact Analysis and Impact Fee Feasibility Study

Introduction

The central purpose of this study is to better understand and quantify the fiscal consequences of eight new residential subdivisions to be built within the Town of New Boston and to evaluate the usefulness of assessing impact fees in expanding the facility and capacity needs of the town necessitated by new growth.

This has been accomplished by addressing the following two study objectives:

1. To develop a quantitative fiscal impact model (consisting of a series of spreadsheets) which the Town of New Boston can use to forecast and evaluate the cumulative fiscal impacts of residential development on the provision of town facilities and services; and
2. To evaluate the capacity and capital facility needs of the Town to determine which facilities if expanded in the future could benefit from the assessment of impact fees.

Prior to undertaking this study, the Town of New Boston's department heads had numerous discussions regarding eight proposed new residential subdivisions and what impacts these subdivisions would have on Town services. While general projections of future population and capital facilities were addressed as part of the recent Master Plan Update, New Boston's department heads were not sure what those projections were based on and what would be needed to forecast future needs. Specifically, each department head did not know if a population increase may require the town to hire extra employees, expand their buildings, infrastructure and operations, and increase their budget requests.

In addressing these concerns, this study gives the Town of New Boston a head start in its ongoing facility planning efforts as it provides the Town a fiscal analysis upon which impact fees can be based as well as an overall evaluation of the Town's future capital needs. As the Town expands its facilities and services in the future, it will be important that the Town considers the use of impact fees to help fund the construction and/or improvement of the facilities it truly needs, or anticipates it will need, due to growth, and not impose impact fees for facility improvements it will never make.

Background

Measuring the likely impacts of land development is an important planning function for municipal government. There are a variety of recognized economic and financial methods available to analyze the municipal servicing costs of residential, commercial, public, and industrial development within a community. The results from these methods are helpful as a guide to local public policy discussions, serve as a basis for public

financial planning and capital budgeting, and assist in approximating the fiscal impacts of specific land development proposals.

One of the recognized forms of analyzing municipal service revenue and expenses is Fiscal Impact Analysis (FIA). FIA is used to determine the direct, current, public costs, and revenues of residential and non-residential development. The analysis is generally based on the fiscal characteristics of the community – e.g., revenues, expenditures, land values – and characteristics of the development or land use change – e.g., type of land use, distance from central facilities. The analysis enables local governments to estimate the difference between the costs of providing services to a new development and the revenues – taxes and user fees for example – that will be generated by the development. The comparison is usually described in terms of a positive value (net increase in revenue or level of service or both), negative value (net reduction in revenue or level of service or both), or zero (no net change in revenues or level of service or both).

There are six methods outlined in the "Fiscal Impact Handbook" that are commonly used to estimate the cost of development (Burchell, 1985).[1] These methods are the Per Capita Multiplier, Case Study, Service Standard, Comparable City, Proportional Valuation, and Employment Anticipation. In most cases, revenues are calculated by multiplying the current tax rates by expected changes in the tax base. In municipalities with few forms of taxation, this is relatively simple. In areas where there are many taxes, this process can be more difficult.

The quantitative model developed as a result of this study has been accomplished by utilizing the Case Study and Service Standard methods which are two of the most recognized forms of analyzing municipal service revenue and expenses as outlined in the "Fiscal Impact Handbook". The Case Study Method involves interviewing local officials and experts (in this case town department heads and the town administrator) to obtain estimates of how different town departments will be impacted by a given development proposal. The expert estimates are then combined to account for the impacts in different areas to create an overall estimate of the fiscal impact of the development.

The Service Standard Method utilizes population (census data) and published levels of service (LOS) which are refined in conjunction with town officials according to the size of the community and local fiscal conditions. Many of the published levels of service standards considered in this study have been developed by various state, national and municipal associations and are summarized in Municipal Benchmarks (Ammons, 2001).[2] These fiscal standards were evaluated considering New Boston's services and operations and then calculated based on the Town's population changes, service and manpower requirements, statutory obligations, and other considerations.

[1] Robert W. Burchell, David Listokin, William R. Dolphin, The New Practitioner's Guide to Fiscal Impact Analysis, 1985, Rutgers, The State University of New Jersey.

[2] David N. Ammons, Municipal Benchmarks Assessing Local Performance and Establishing Community Standards. Second Edition, Sage Publications, 2001.

The advantage in employing this methodology is that this approach allows all department heads and the town administrator to be directly involved in establishing and recommending the specific LOS standards developed for New Boston. These standards can then be used as a measurement of estimating the fiscal impacts of growth within the community to each town department or government function.

In preparing this study, SNHPC staff interviewed department heads and held numerous Fiscal Impact Study working sessions during New Boston's regularly scheduled monthly All Boards meetings over the course of a year and half. Because of the complexity and nature of the fiscal information discussed, numerous reports and spreadsheets were reviewed and accepted by town officials as well as various town committees and boards before moving on to the next task. This maintained the integrity of the data and information used in developing the fiscal impact model. It also allowed for greater involvement and participation by town department heads as well as ownership of the LOS agreed upon.

As the Town considers the findings and recommendations of this study, it will be important that the basic financial, population and other data presented in this report and contained with the spreadsheets of the fiscal model be updated in the future. This will ensure consistency and provide for improved capital facilities planning in the future.

While this study was conducted during a substantial downturn in the economy, the study is based upon a conservative assessment of the potential build out of the eight residential subdivisions New Boston over a 14-year timeframe and a realistic evaluation of the town's existing and future capital facility needs.

Findings and Recommendations

The overall findings and recommendations of this study are summarized below. Detailed information regarding the Fiscal Impact Analysis, including the results of the basic research conducted for each town department is provided in the following background reports – Fiscal Impact Analysis and Primer on Establishing Level of Service Standards.

Setting the Context

As described above, the purpose of a fiscal impact study is to estimate how a particular activity or development will affect a municipality's revenues and expenses. While conducting an impact study requires serious data gathering and careful analysis, it is not a strict scientific process. There are no strict or underlying rubrics or laws which dictate the process. Each municipality is different; each has its own unique geography and socio-economic structure, its own pattern of growth, its own history of past spending and its own vision of its future.

Every fiscal impact study must begin, therefore, by setting both the projects in question and the municipality where they are to be located in context, both an external regional

context and an internal municipal context. Externally, the analysis must take into account the town's place within its larger labor market and shopping region.

- Is New Boston a trade and employment center or primarily residential?
- Does New Boston sit on a major transportation route or is it more remote?
- What is the region's past and projected growth pattern?

Internally, the analysis must take into account the municipality's past fiscal history and current service capacity.

- What has been the town's history of spending to provide municipal services?
- Are its schools and roads and buildings nearing full capacity or seriously outdated or are they relatively new and have capacity for expansion?
- Is the town relatively satisfied with the current level of municipal services or is it nearing a threshold where entirely new services will be required?

New Boston's Regional Context

Over the years, the Town of New Boston has evolved from a traditionally agricultural community to primary a residential community that has, become a popular place to live and raise a family within the greater Manchester metropolitan area. While the population characteristics of the greater Manchester metropolitan area have changed very little over the recent past, New Boston has experienced sizable population growth. Between 2000 and 2006, New Boston's total population grew 22 percent or 830 people from 4,138 in 2000 to 5,005 in 2006. This population increase represents an annualized rate of growth of 3 percent per year.

According to the most recent population projections provided by the New Hampshire Office of Energy and Planning, population growth within the greater Manchester metropolitan area is expected to slow somewhat over the next several years, but remain structurally the same, with growth favoring the outlying suburban communities.

This pattern of suburban growth is even more evident in an examination of housing data. While suburban population grew by about 15 percent between 1990 and 2000, the growth of housing units reached nearly 13 percent. In New Boston, while population grew by 22 percent, the number of housing units grew over 28 percent. And again, while the growth from 2000 to 2010 is expected to slow somewhat, housing data are still projected to exceed population growth.

The significance of this pattern of suburbanization is that the characteristics of suburban populations tend to be somewhat different from those of urban areas. Suburban populations tend to be younger (with higher proportions below the age of 18 and lower proportions above the age of 65) than urban populations. In addition, they have higher incomes, more cars and are less likely to rent. These characteristics are important because they affect the nature of demand for municipal services.

New Boston's Municipal Context

New Boston has traditionally been a very fiscally conservation town. It has no major long-term debt and it maintains a substantial "savings account" in the form of a fund balance built up from keeping expenditures below revenues. When the town has needed new capital facilities or equipment, it has used this "savings" to help pay for the infrastructure rather then borrowing, unless absolutely necessary. In addition, New Boston has a strong capital improvements program in place which provides over time a capital reserve fund for major equipment purchases while all major capital expenses are authorized by town vote. New Boston also enjoys the benefits of a strong history of volunteerism, providing both a volunteer fire department and rescue service. The Town also relies on the New Hampshire State Police for additional support.

This fiscally conservation approach is evident in comparing New Boston to other New Hampshire towns of comparable size. Of the five New Hampshire towns within the region with populations between 3,000 and 5,000, New Boston's tax rate in 2005 stood at $14.27, which was the fourth lowest among the five towns.

Nonetheless, the pressures of suburban growth have increased the demand for municipal services. While the number of households in New Boston increased by 8 percent between 2000 and 2004, total expenditures for municipal services increased over 27 percent from $1.9 to approximately $2.4 million. As a result, the average expenditure per household increased by 18 percent from $1,332 to approximately $1,573 over this period.

Given these past upbeat economic and fiscal trends, New Boston, the greater Manchester region, and the rest of the state and the nation is now experiencing a significant economic downturn. This downturn has impacted the local real estate market, property values, building construction, and ultimately tax revenues. While in the past, New Boston's increasing tax base helped offset its growing population, it is known how long or if this trend will continue in the future.

This gloomy economic picture does not favor major facility improvements or increases in municipal services in the short term and the Town will likely institute cost and other financial controls in order to balance its budget. Yet, despite this economic forecast, it is anticipated that some limited housing construction and population growth will continue to occur within New Boston.

Based upon these current building trends, this study assumes that New Boston will on average experience an absorption rate of 10 dwelling units a year which would result in the eventual build out of the eight new subdivisions in 14-years or by the year 2020. In addition, it is assumed that the eight new subdivisions will result in a total of 146 new building lots with an average market value of approximately $390,000; the addition of 146 new households, resulting in an increase of 420 people; and the addition of 79 new school age children to the town.

Results of Fiscal Impact Analysis

As provided in the following fiscal impact summary table, it is estimated that the eight new subdivisions will add:

1. $46,364 to the Town's annual revenue stream and $45,850 to the School District's annual revenue stream; and,
2. $1,164,255 in total town and school revenues by the year 2020.

At the other end of the scale, it is estimated that the eight new subdivisions will cost the Town in the provision of municipal services and operating expenditures:

1. $282,130 for non-educational costs on an annual basis and $290,280 for educational costs on an annual basis; and,
2. $3,949,821 in total non-educational costs and $4,063,920 in educational costs by the year 2020.

The difference between the total costs of providing services and the total revenues that will be generated by the eight developments results in a **negative** value of $488,196 on annual basis and a negative value of $6,849,486 on a total basis.

In addition, the results of this study indicate that when all eight developments are fully built out in the year 2020, a total of six town departments will require the following additional new full time employees in order to maintain the same level of service in 2020 as currently provided in 2006:

General Government	1 new staff
Police	1 new staff
Fire	4 new staff
Solid Waste/Transfer Station	1 new staff
Highway	1 new staff
Library	1 new staff
Total	9 employees

Estimates for additional new employees or volunteers for the Fire Department however will be contingent upon whether the department remains an all volunteer staff or whether it transitions into paid full time or combination full and volunteer staff. This could have major financial impacts to the taxpayer and the Town's operating budgets.

New Boston Fiscal Impact Results (DRAFT)

Town Revenues	Net Annual Increase	2020
Real Property Taxes	$7,611	$111,115
Licenses, Permits & Fees	$6,152	$89,813
Interest Earnings	$101	$1,417
Timber Tax	*	*
Land Use Change Tax	$32,500	$292,500
Excavation Tax	*	*
State Revenues	*	*
Federal Grants	*	*
Miscellaneous	*	*
Capital Reserves	*	*
Totals	$46,364	$494,845

* No impact

School District Revenues	Net Annual Increase	2020
Central School	$45,850	$669,410
Totals Town and School Revenues	$92,214	$1,164,255

Town Operating Expenditures	Net Annual Increase	2020
General Government	$81,946	$1,147,245
Police	$47,280	$661,920
Fire	$11,060	$154,840
Solid Waste/Transfer Station	$32,725	$458,150
Highway	$92,071	$1,288,994
Recreation	$0	$0
Library	$17,048	$238,672
Totals	$282,130	$3,949,821

School District Expenditures	Net Annual Increase	2020
Central School	$290,280	$4,063,920
Totals Town and School Expenditures	$580,410	$8,013,741
Totals Town and School Revenues	$92,214	$1,164,255
Totals Town and School Expenditures	$580,410	$8,013,741
Total Fiscal Impact	($488,196)	($6,849,486)

Facility/Impact Fee Recommendations

Police Department Facilities:

1. A **Police** or **Public Safety Impact Fee** for expansion/improvement of Police Headquarters is not recommended at this time; approximately 52 percent of the building is currently being used indicating that there is available capacity to accommodate future growth. However, two holding cells in the basement are being used for records retention and equipment storage instead of the intended purpose. While it is possible an impact fee could be developed to recoup some of the cost of an addition to the building to address the records retention and storage needs of the Department, it is not recommended at this time or until the Town has determined this is the best way to address this facility need and has included this improvement or possibly a town-wide records retention facility within the CIP.
2. A **Vehicles/Equipment** component to a **Police** or **Public Safety Impact Fee** can be calculated, however, it is recommended that the Town obtain a legal opinion to determine under New Hampshire state law if such a fee could be assessed independent of a facility fee. In order for this to occur, the cost of all Police Department's vehicles and equipment will need to remain in the Town's CIP in order to justify this fee.

Fire Department Facilities:

1. Based upon the completion of a recent 2007 Facility Study, the existing Fire Department Headquarters has been determined to be functionally obsolete and does not meet modern criteria for public safety buildings. Because a new Fire/EMS Headquarters facility has been included in the Town's 2008-2013 CIP, a **Fire** or **Public Safety Impact Fee** for this facility would be justified and can be calculated. However, it is recommended that this fee not be assessed until such time as the Town has approved the project and has voted to proceed with necessary local financing and/or construction bond. In addition, the Town will need to decide where the new facility should be constructed and include the cost of the property, as necessary, in the fee.
2. A **Vehicles/Equipment** component to a **Fire** or **Public Safety Impact Fee** can be calculated, however, it is recommended that a legal opinion be obtained to determine under New Hampshire state law if such a fee could be assessed independent of a facility fee. In order for this to occur, the cost of all Fire Department vehicles and equipment will need to remain in the Town's CIP in order to justify this fee.

Transfer Station:

1. The Solid Waste Director has confirmed that there is sufficient capacity at the Town's existing Transfer Station (designed for 2,500 residents and can serve 7,000 in the future); therefore a **Solid Waste Impact Fee** is not recommended at this time.

Highway:

1. A **Traffic Impact Fee** to address future roadway capacity improvements due to growth is justified and should be calculated and assessed by the Town. There are specific road and bridge projects identified in the Town's CIP and sufficient project expenditures and plans for necessary future roadway improvements to justify assessing an impact fee at this time.
2. It is possible that this impact fee could also address the Department's proposed new Salt Shed as identified in the Town's CIP as well as any improvements that may be planned to expand/upgrade the Highway Department's existing office facility in the future.
3. A **Vehicles/Equipment** component to the impact fee could be calculated, however, it is recommended that a legal opinion be obtained to determine under New Hampshire state law if such a fee could be assessed as a part of the facility fee. In order for this to occur, the cost of all Public Works Department vehicles and equipment will need to remain in the Town's CIP in order to justify this fee.

Recreation:

1. Utilizing the local facility standards developed for this study, a **Recreation Impact Fee** can be calculated as the capacity needs of the Town's existing recreational facilities have been determined, including the space needs of a new multi-use community center and additional ballfields. However, any impact fee assessment for this facility should wait until Town voters have approved construction bonding, if necessary. The fee can also include land costs, however, the cost of acquiring open space is not eligible as part of an impact fee.
2. A Vehicles/Equipment component to a **Recreation Impact Fee** is not possible unless these Department needs are included in the Town's CIP.

Library:

1. It has been determined that there is no available capacity remaining in the existing Whipple Free Library building; thus a **Library Impact Fee** is justified and can be calculated to address future improvements/additions to the building and/or the construction of a new facility within the community. However, it is not recommended that a Library Impact Fee be calculated or assessed until such time as these improvements are included in the Town's CIP and Town voters approve, as necessary, local construction financing.

Education:

1. A **School Impact Fee** can be calculated and assessed for any building expansion or improvements that may be included in the Town's and the School District's CIP in the future and any improvements requiring Town voter approval, including the Town of New Boston's proportional share of any capital facility improvements planned within the regional school system (SAU #19) which New

Boston is a member. Because there are no immediate capital facility projects identified in the Town's CIP, assessment of a School Impact Fee is not recommended at this time.

Town Administration:

1. A **Municipal Office Impact Fee** is justified and can be calculated for the proposed Town Hall renovation included in the Town's CIP; however, the fee should not be assessed until Town voter approval for local financing is obtained, as necessary.

In summary, this study finds that the Town of New Boston should proceed with the development of a **Traffic Impact Fee** at this time. If and when local financing and CIP feasibility plans have been put into place and Town voter approval has been obtained, the following impact fees would be justified:

- Public Safety Impact Fee
- Recreation Impact Fee
- Library Impact Fee
- School Impact Fee
- Municipal Office Impact Fee

Until these decisions are made and to proceed with a Traffic Impact Fee, it is recommended that the New Boston Planning Board proceed with a zoning ordinance amendment for the 2009 Town Meeting which provides the enabling authority for the Planning Board to calculate and assess this fee and other impact fees in the future, particularly when appropriate facility improvement projects, CIP feasibility studies, and local voter financing plans and bonds have been approved.

The Town of New Boston is adequately staffed and has the accounting systems in place to effectively and efficiently administer, assess, collect and spend the impact fees. All impact fees must be spent within six years of collection.

As outlined in RSA 674:21, adoption of an impact fee ordinance does not preclude or prevent a municipality from requiring developers to pay an exaction for the cost of off-site improvement needs determined by the planning board to be necessary for the occupancy of any portion of a development. This is an important distinction as municipalities can continue to require off-site improvements and assess impact fees for other facility needs. However, it is recommended with respect to the assessment of a traffic impact fee, that a credit be built into the ordinance, if and when any off-site transportation improvement costs exceed the impact fee. If the impact fee is greater than the construction costs for the off-site improvements, the amount of the construction costs should be subtracted, and a reduced impact fee paid. In this fashion, there would be no cause for concern for double charging for road improvements.

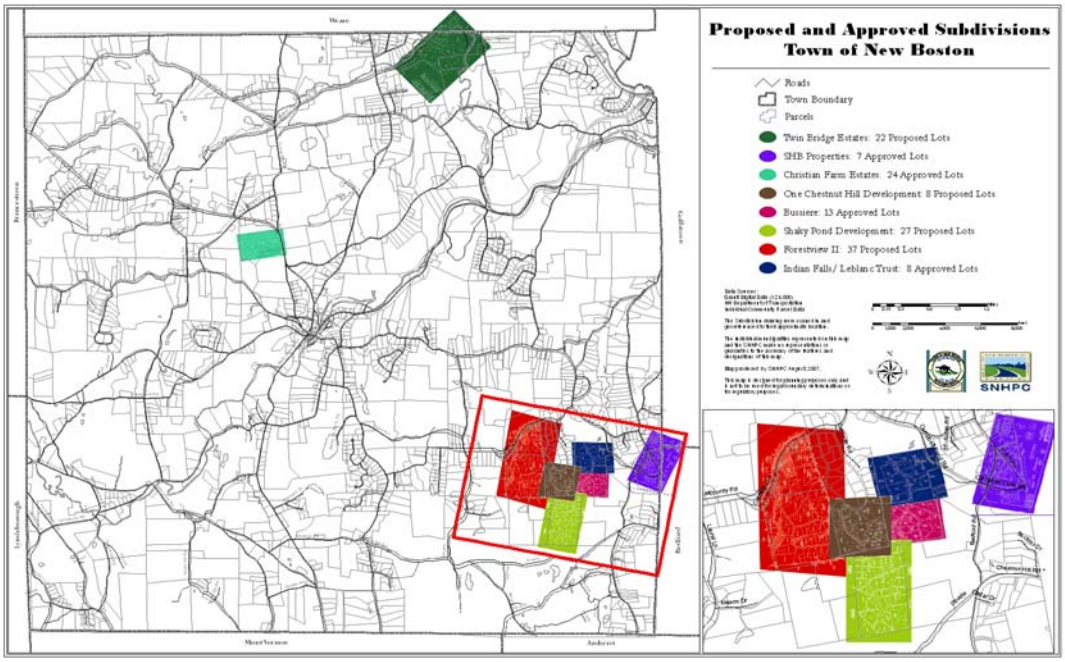
I. Background Report: Fiscal Impact Analysis

This analysis addresses the fiscal impact of the eight proposed new residential housing developments for New Boston on the town's future municipal revenues and services. The map below shows the locations of these new housing developments within New Boston and identifies the total number of lots proposed in each subdivision.

Currently, the New Boston Planning Board has approved six of the eight proposed subdivisions and has granted preliminary concept plan approval to two of the projects. Final application approval of the two projects is pending state approvals. When completed, the new housing developments will result in a total of 146 new residential lots which have the potential of adding 420 people to the town.[3] This would increase the town's current (2007) population from 5,110 to 5,530 people.

For the purpose of this analysis, it is assumed that these new developments will be built out over a 14-year period, at an absorption rate of 10 units per year. An estimate of their impact on the town is, therefore, based on calculations of revenue and expenses that these units will likely generate both in 2006, the base year and in 2020, fourteen years in the future.

In developing this analysis, the SNHPC asked that each Department Head summarize what they believe the impact these eight subdivisions will have on their Department(s) in terms of the provision of current and future services, operations, expenditures, staffing and facility needs, etc. A copy of all the comments received are included in the Appendix of this report.



[3] Based upon an average household size of 2.88 persons per household.

Descriptions of New Subdivisions

While all eight housing developments are primarily single-family residential in character, each subdivision is slightly different.

The largest subdivision is Forestview II consisting of 37 lots on 175.4 acres. This subdivision has received preliminary concept plan approval from the Planning Board. The final application has not been submitted yet to the town pending state wetlands and septic approvals. While this proposed development is not a conservation subdivision, there will be two large conservation easements extending through the development as well as several backlots with legal road frontage. Access to the lots will come from a new public road and a small cul-de-sac consisting of a total of 5,400 linear feet. These roads will be constructed by the developer at Town standards for acceptance as public roads. The new road within the subdivision will connect to McCurdy Road at one end and Susan Road at the other end via a stub out for future road extension. Each lot will utilize individual on-site wells and subsurface septic systems. The anticipated market value of the proposed housing units are estimated by the Town Appraiser to fall within the +/- $400K to $500K value range.

The next largest development is Shaky Pond which is a proposed conservation subdivision encompassing 108.7 acres located directly to the south of Indian Falls and Bussiere subdivisions. This subdivision has received preliminary conept plan approval from the Planning Board. The final application has not been submitted yet to the board as it has been changed somewhat due to input from the Conservation Commission and State Wetlands Bureau. It is anticipated that approximately 10.33 acres within the subdivision will remain as open space. Access to the lots will come from two new roads consisting of a total of 5,000 linear feet in length to be constructed to town standards and accepted as public roads. The two new roads will connect within the subdivision and provide access to Susan Road, Harvey Lane, and Indian Falls Road. Each lot will utilize individual on-site wells and septic systems. The anticipated market value of the housing units to be built are estimated by the Town Appraiser to be around the +/- $425K value range.

The Christian Farm Estates subdivision is one of the most unique of the eight projects. It has been approved by the Planning Board as a conservation subdivision consisting of 24 housing units and 25.4 acres of open space. Lot sizes range from 1 to 6.8 acres in size with the majority of the lots in the 1 to 2 acre range. Approximately 2,900 linear feet of public road will be constructed to serve the development. Access to the subdivision will be off Francestown Road. Power and cable service will be installed underground and each lot will contain individual on-site wells and septic systems. The developer is planning to provide home packages starting at $289,000 and to market them primarily to empty nesters and retirees. The anticipated market value of the housing units to be built are estimated by the Town Appraiser to fall within the +/- $400 to $500K range.

The next largest project is Twin Bridge Estates. This subdivision has been approved by the Planning Board and will consist of 22 lots divided out of a total of roughly 130 acres.

The lots will range from 1.5 to 28 acres in size. Power and cable will be provided overhead to each lot and each lot will have individual well and septic systems. Access to some of the lots will be provided by a new 1,300 linear foot public road to be built to town standards. This new road will connect to Twin Bridge Road which provides frontage for the rest of the lots. The developer expects to sell homes within the development starting at $249,900. The anticipated market value of the housing units to be built are estimated by the Town Appraiser to fall within the +/- $350K to $450K range.

The next largest development is the Bussiere subdivision which has been approved by the Planning Board. It is located directly between Indian Falls to the north and Shaky Pond to the south and will consist of a total of 13 lots. These lots will be divided out of a total of 58.7 acres and range from 2.3 to 6.8 acres with the majority of the lots between 2 to 3 acres in size. Access will be provided by a new 2,000 linear foot public road to be extended from Indian Falls Road. This new public road will dead end in a cul-de-sac at the end of the development. Utilities will be underground with individual well and septic systems on each lot. The anticipated market value of the housing units when completed are estimated by the Town Appraiser to fall within the +/- $400K range.

One Chestnut Hill Development is the next largest subdivision located directly adjacent to Indian Falls and Bussiere. It has been approved by the Planning Board and will result in 8 lots on 24.92 acres of land. The lots will range from 2.0 to 3.3 acres in size with most of the lots falling in the 2 acre range. Access will be provided by a new 1,700 linear foot public road to be extended from Susan Road to Indian Falls Road. Utilities will be underground with individual well and septic systems on each lot. The anticipated market value of the housing units when completed are estimated by the Town Appraiser to fall within the +/- $425K range.

The Indian Falls/Leblanc Trust subdivision contains the same number of lots as One Chestnut Hill Development. This subdivision has been approved by the Planning Board and is located directly north of the Bussiere development and abutting One Chestnut Hill subdivision. It is a conventional subdivision consisting of 8 lots on 43.56 acres. Lot sizes range from 2.8 to 7.8 acres with the majority of the lots 3 to 4 acres in size. Access to the lots will be provided by a new 1,600 linear foot public road to be extended from Indian Falls Road into the subdivision. Utilities will be underground within individual wells and septic systems on each lot. The anticipated market value of the housing units when completed are estimated by the Town Appraiser to fall within the +/- $300-$450K value range.

The last development is SHB Properties consisting of a conventional subdivision of 7 lots on 25.5 acres of land. This development has been approved by the Planning Board and the lots range in size from 1.5 to 6 acres in size with most of the lots between 2 to 3 acres in size. Utilities are underground with individual wells and septic systems on each lot. Access to the lots will be provided by a short new 900 linear foot public road off of Bedford Road and ending as a cul-de-sac within the development. The anticipated market

value of the housing units when completed are estimated by the Town Appraiser to fall within the +/- $375 to $425 value range.

Complete plans and descriptions of each subdivision as well as the Planning Board conditions of approval may be found in the application files at the Town Planning Office.

Impact of Municipal Revenues

This section of the study considers the likely impact of the eight proposed developments on the Town's major sources of revenue. It is important to note here that it is not known exactly when all eight projects will be completely developed or built out. It is a given however, as lots are sold and homes are built and people move in, revenue will begin to flow into the town and demand for services will arise. While this study does not attempt to predict the timing of these flows of development, the study attempts to answer the broader question, "When these projects are developed or fully built out -- be it only 10 lots at a time spread out over 14 years -- what will be both the revenues and the expenses they are likely to generate?"

Table 3 below lists New Boston's major revenue sources as provided in the Town Report.

Principle Sources of Revenue, Town of New Boston, 2006

Source	Amount
Taxes	**$1,481,150**
Property Taxes	**$1,247,583**
Land Use Change Tax	$39,152
Timber Tax	$51,074
Excavation Tax	$ 7,569
Penalties & Delinquent Taxes	$54,285
Licenses, Permits & Fees	**$1,016,246**
Intergovernmental Funds	**$508,839**
Revenue from NH	$386,246
Federal Grants	$122,593
Interest Revenue	**$147,724**
Miscellaneous Revenue	$19,410
From Capital Reserves	$49,273
Total Revenue	**$3,222,692**

Source: Town of New Boston, Town Report

Each of the major revenue sources in this table are considered as follows.

1. Property Taxes

By far the largest source of revenue for New Boston is the property tax, accounting for almost one half or 46% of all municipal revenue in 2006. The most important fiscal impact – at least on the revenue side – of the eight subdivisions examined as part of this analysis, therefore, will be the property taxes they generate.

In order to determine the property tax revenues to be generated by the eight subdivisions, it is necessary to collect data pertaining to property values, local tax rates and assessment ratios. This information is needed to determine how much property tax revenue the Town of New Boston would realize when all the lots within the eight new subdivisions are fully built out.

Equalized valuation is the method the New Hampshire Department of Revenue Administration uses to standardize the tax base of all municipalities in the state. To calculate the total equalized valuation of property, actual sales in each municipality is evaluated to set the so-called equalized valuation ratio. This is done by first conducting a sales-assessment ratio study using market sales, which takes place between October 1 and September 30 of each year. The table below presents the 2006 State Valuation of Property and Equalized Rate for New Boston

This sales-assessment ratio study differs from the municipal assessment valuation process because (1) municipalities assess property at different percentages of true market value and (2) frequently have dated assessments as municipalities generally reassess property values about every 5 to 10 years. As a result, the assessed value of property is less than its true value or market value unless adjusted enabling a standardized basis for comparison.

Fortunately for the purposes of this study this equalization adjustment occurred at the end of the 2006 tax year when the Town of New Boston conducted an assessment update in order to bring all properties up to or within +10 to –10 percent of market value.

2006 Valuation of Taxable Property, Million $

Category	Total Assessment	Equalized Rate
Land	$246	100%
Building	$360	100%
Utilities	$5.80	100%
Total	$611	100%
Residential Only	$235	100%

Source: NH Department of Revenue Administration

Therefore for the purposes of this fiscal impact study, the projected revenue to be generated by the eight new developments is calculated using the Town's 2006 local tax rate and an assessment ratio of 100 percent. Generally, in most fiscal impact studies, the local tax rate multiplied by the expected assessed valuation will produce the same estimate of revenue as the product of the equalized tax rate and the market or true value of property.

Based upon the sales-assessment study which was conducted for New Boston in 2006, the Department of Revenue determined an equalization ratio for the land, buildings, and manufactured housing within the community for Tax Year 2006 to be 100.1. Because this median ratio is a general measure of central tendency for assessment and market value equity within the community, no adjustments are needed with respect to this fiscal impact analysis.

The estimated property values, and thus property tax revenues for the proposed eight subdivisions are determined by relying on the Town Assessor's best judgment of the assessed values based on sales values for properties similar to those proposed in the eight projects.

Tax revenues are estimated by applying the town's current (2006) effective tax rate of $12.37 per $1,000 (Town and Local School Rate) to the estimated values of the eight projects adjusted by the equalization ratio.[4]

The 2006 total Tax Rate for New Boston is $15.30 per $1,000 valuation. The breakdown of this tax is as follows: Town Rate is $2.05; Local School Rate is $10.32; State School Rate is $2.03 and County Rate is $0.90.

Property Values

Clearly, the property tax revenue coming to New Boston from these developments will depend on the future of the real estate market. Because large market swings in both the downward direction (as currently being experienced) as well as the upward direction are still possible in the future, this fiscal impact analysis uses an average between the high and low market value estimates for a single-family home and building lot within each subdivision to project revenues likely to be generated by the eight developments.

To estimate what property tax revenues the eight developments might generate, the Town Assessor examined the assessed values and, where available, the sales values of similar subdivisions and house lots that currently exist within New Boston that have had sales of land or land and buildings over the past six years. Based upon this examination, the following high, low and average market values were determined and used in this analysis:

[4] The effective town tax rate is obtained by dividing reported 2006 tax revenue of $1,247,583 by its reported valuation of $611,464,248 which equals 15.3.

New Subdivision	Low Value	High Value	Average
Forestview II	$400,000	$500,000	$450,000
Shaky Pond	$400,000	$425,000	$412,500
Christian Farm Estates	$350,000	$450,000	$400,000
Bussiere	$400,000	$400,000	$400,000
One Chestnut Hill	$400,000	$425,000	$412,500
Indian Falls/Leblanc Trust	$300,000	$450,000	$375,000
SHB Properties	$375,000	$425,000	$400,000
Total	$3,025,000	$3,575,000	$3,300,000
Average Value	$378,125	$446,875	$412,500
Less 10 Percentage Adjustment	**$340,312**	**$402,187**	**$371,250**

Given declining property values in New Boston and the state of New Hampshire as a result of the current economic downturn, a 10 percent adjustment has been applied. This adjustment was agreed upon by the Town Assessor to reflect current real estate market conditions.

Projected Property Tax Revenue

Because both Christian Farm Estates and Shaky Pond Development are conservation subdivisions, it is assumed that the open or common space within these developments will be divided equally among all owners and thus included in the sales price of an individual lot.

Utilizing an average market value of $371,250 per single-family dwelling (house and building lot combined), the following property tax revenues (municipality and school district) which could result from the development of 10 lots in 2006 to the full build out of all eight subdivisions in 2020 is projected (see excel spreadsheet provided below).

Applying the town's 2006 tax rate of $2.05/$1,000 and an absorption rate of 10 units per year yields estimated property tax revenues of $7,611 (2006) and $111,115 in 2020. Similarly, applying the school district's 2006 tax rate of $12.35/$1,000 and the same aborption rate yields estimated property tax revenues of $45,850 (2006) and $669,410 in 2020.

Of course these projections depend on many factors – interest rates, economic growth, and trends in population and housing. In applying this fiscal impact model, the Town Planner can monitor and assess the likely impact of these developments as they proceed through construction, sale and build-out.

Table A: Fiscal Impact Revenue Projections - Real Property Taxes
New Boston, NH

Land Use Scenario: Total Number of New Lots = 146/Avg. Assessed Value $371,250
2006 Equalization Rate: 100 percent
Constant 2006 Dollars
Absorption Rate: 10 lots per year (Town Assessor's best estimate given current market trends)
Build Out Estimate: 14 years at 10 lots per year - 2006 to 2020
2006 Tax Rate: $15.30: Town Tax: $2.05; Local Education Tax: $10.32; State Education Tax: $2.03; Count Tax: $0.90

New Subdivision	Market Value Low	Market Value High	Average
Forestview II	$400,000	$500,000	$450,000
Shaky Pond	$400,000	$425,000	$412,500
Christian Farm Estates	$400,000	$500,000	$450,000
Twin Bridge Estates	$350,000	$450,000	$400,000
Bussiere	$400,000	$400,000	$400,000
One Chestnut Hill	$400,000	$425,000	$412,500
Indian Falls/Leblanc Trust	$300,000	$450,000	$375,000
SHB Properties	$375,000	$425,000	$400,000
Total	$3,025,000	$3,575,000	$3,300,000
Average Unit Value	$378,125	$446,875	$412,500
Less 10 percent Adjustment	**$340,312**	**$402,187**	**$371,250**

Avg. Market Value/Unit	Local Tax Rate*	Total No# Units at Build Out	Absorption Rate No# Units/YR	Total Annual Revenue (Beginning 2006)	Total Revenue (2020)
Municipality $371,250	$2.05/$1,000	146	10	**$7,611**	**$111,115**
School District $371,250	$12.35/$1,000	146	10	**$45,850**	**$669,410**
			Totals	**$53,461**	**$780,525**

*Excludes County Tax

2. Licenses, Permits and Fees

Revenue from licenses, permits and fees (including motor vehicle registration) currently makes up the second highest source of revenue for the Town of New Boston. This revenue is highly dependent upon the spending patterns of the residents of New Boston, and therefore the economic climate of the town and the population of the town needs to be considered in this analysis. Generally, most of the licenses, permit and fee revenue sources have remained relatively stable on a per household basis over the last decade. Except, there has been a steady increase in motor vehicle revenue reflecting increased prices and increased motor vehicle registrations per household which characterizes many of the suburban communities within the greater Manchester area.

Since there is no evidence that the households likely to move into the new single-family dwellings proposed as a result of the eight new subdivisions will exhibit any different spending pattern with respect to these items, it can be anticipated that a similar level of revenue generation can be projected in the future. This of course is highly dependent upon economic conditions as well.

Presuming that the town's licenses, permits and fee revenues continue their current upward trend, the town's 2006 total licenses, permits and fees revenue ($1,016,246) and total number of dwelling units (1,652) can be divided to obtain a ratio of revenue/total dwelling units (615.5). This ratio can then be multiplied by the expected absorption rate of the new developments (reflecting current economic conditions) of 10 units per year to yield an estimated additional annual revenue to the Town of $6,152 and an additional total revenue of $89,813 by the year 2020 (see following excel spreadsheet).

3. Intergovernmental Funds

Revenue from the State of New Hampshire and through Federal Grants are not revenue sources which can be derived from the proposed eight new subdivisions, therefore, no revenue estimates from these sources are included in this analysis.

4. Interest Earnings

While it is difficult to estimate what interest the Town of New Boston would receive from interest earnings on the town's two primary bank deposits in the future (as this is subject to market conditions and interest rates), the approach in the following excel spreadsheet is based upon the methodology recommended in the *Fiscal Impact Handbook* (Burchell, 1985). This approach applies a ratio of total assessed residential value to the total value of all the new 146 lots to the Town's current 2006 Interest Earnings to yield estimated earnings income for new growth (beginning in year 2006) and estimated total earnings income for new growth in year 2020.

Table B: Fiscal Impact Revenue Projections - Licenses, Permits & Fees
New Boston, NH

Land Use Scenario: Total Number of New Lots = 146
Absorption Rate: 10 lots per year (Town Assessor's best estimate given current market trends)
Build Out Estimate: 14 years at 10 lots per year - 2006 to 2020
Total Number of Dwelling Units (2006) = 1,652
Total Population (2006) = 5,055
Total Revenue (2006) Licenses, Permits & Fees = $1,016,246
Total Revenue (2006) Motor Vehicle Permit Fees = $881,761.50

Table B

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Total Revenue Licenses, Permits & Fees (2006)	Total No# Units (2006)	Ratio Revenue/Total No# Units	Total No# Units at Build Out	Estimated Annual Revenue (Beginning 2006)	Estimated Total Revenue (2020)
$1,016,246	1,652	615.16	10 per yr/146 Total	$6,152	$89,813

Table C: Fiscal Impact Revenue Projections - Interest Earnings
New Boston, NH

Land Use Scenario: Total Number of New Lots = 146
Absorption Rate: 10 lots per year (Town Assessor's best estimate given current market trends)
Build Out Estimate: 14 years at 10 lots per year - 2006 to 2020
Total Amount Interest Earned in 2006 = $147,724
Total Assessed Value Residential Buildings and Properties - Excluding Manufactured Housing (2006) = $582,074,469
(Source: 2006 Summary Inventory of Valuation MS-1)
Total Assessed Value New Lots - High Value = $3,575,000/Low Value = $3,025,000
Ratio of Total Assessed Residential Value/Total Assessd Value New Lots/New Growth - High Value = 0.1 Low Value = 0.1

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
2006 Interest Earnings	Total No# Units at Build Out	Interest Earnings Estimate	Ratio of Total Assessed Value/Total Value New Growth	Estimated Earnings Income New Growth (2006)	Estimated Earnings Income New Growth (2020)
$147,724	10 per yr/146 Total	$1,011.81	0.1	$101.18	$1,417

Divide Step 2 by Step 1 = Step 3
Multiple Step 4 by Step 3 = Step 5
Multiple Step 5 by 14 years = Step 6

Other Property Tax Revenue

These sources of revenue include, land use change tax, timber tax, excavation tax and interest, penalties and delinquent taxes.

Penalties and Delinquent Taxes

While there is no accurate way to estimate what revenue the Town of New Boston would receive from late payment penalties and delinquent taxes as a result of the eight new subdivisions, similar logic as applied in projecting increased licenses, permits and fees could be considered by assuming that past trends and household spending patterns would apply in the future. However, this assumes that fairly accurate data is available on the number and frequency of the Town's existing households who make late payments. In discussing this with the Town Administrator, it was determined that this information was not reliable. Therefore, no late revenue projections for late payment penalties and delinquent taxes are included in this analysis.

Timber and Excavation Tax

Because the ultimate build conditions within each of the eight subdivisions is unknown in terms of total number of acres of timber clearing and earth excavation and each subdivision will yield completely different results, these revenue sources are not included in this analysis.

Land Use Change Tax

While it is true that the physical features of the land, i.e. topography, water, view factors, access, etc. all determine the land values thus making it difficult to pre-assess what the developer of each subdivision may be required to pay for land use change tax penalties (particularly on a development by development basis), some individual lot assumptions can however be applied in this analysis. In working with the Town Assessor, it has been determined that on an overall basis, the average building lot value in each of the eight subdivisions will be approximately $125,000.

If it can determined that the average lot size in a development containing current use acreage will be less than 10 acres, it can be reasonably assumed a land use change tax penalty will be required. This tax penalty can be paid by the developer all at once or on an individual lot by lot basis if the subdivisions are built out in phases. Because of the current economic conditions, this analysis assumes that the latter condition will occur thus spreading this tax penalty cost out over the build out of the subdivision.

Currently, a total of four of the eight subdivisions have current use acreage. Utilizing this approach, the following current use tax penalties are estimated. Considering the Town's current land use change tax penalty policy will stay in place as is over the next 14 years, 40 percent of the penalty will come back to the town as revenue and the balance of 60 percent will go to the Town's Conservation Fund for future open space protection.

Table D: Fiscal Impact Revenue Projections - Land Use Change Tax

New Boston, NH

Land Use Scenario - Total Number of Lots = 146

Absorption Rate: 10 lots per year (Town Assssor's best estimate given current market trends)
Build Out Estimate: 14 years at 10 lots per year - 2006 to 2020

Subdivisions with Current Use Acreage:

Forestview II - 109.49 acres

SHB Properties - 24.6 acres

Bussiere - 60 acres

Indian Falls - 43.5

Average Lot Value = $125,000 (Town Assessor's best estimate given current market trends)

Land Use Change Tax Penalty = 10% of market value

Percentage to Town = 40%; Percentage to Conservation Fund = 60%

1st Test: Determine number of acres to come out of current use by subtracting total acres of subdivision less total acres in current use and divide by number of lots. If result is less than 10 acres per lot then it can be assumed land use change tax would apply.

Calculation of Tax Penalty:

Forestview II -	37 lots x $125,000 x .10 = $462,500 x .40 =	$185,000
SHB Properties -	7 lots x $125,000 x .10 = $87,500 x .40 =	$35,000
Bussiere -	13 lots x $125,000 x .10 = $162,500 x .40 =	$65,000
Indian Falls -	8 lots x $125,000 x .10 = $100,00 x .40 =	$40,000
Total Tax Due		**$325,000**

Assuming Subdivisions are built in phases (10 lots at a time), tax is spread out over time:

$325,000 x .10 = $32,500 paid annually beginning in 2006 and $292,500 paid in total by 2020

Impact of Municipal Services

This section of the study considers the likely impact of the eight proposed developments on the Town's services and facilities. Spending for municipal services is driven by many factors. Spending for plowing and road repair, for instance, is driven by the Town's miles of roadway and volume of traffic. Spending for parks, libraries and social services is driven by the size of the population. Public safety services are driven by the number of households, the amount of property and the volume of economic activity. Spending for education is driven by the number of students, their geographic dispersion and special needs and the salary structure of the staff. Assessing the fiscal impact of the eight new developments is largely a question of determining how these developments will affect these "drivers" of demand for municipal services.

Determining the impact of the eight proposed residential developments – or any development for that matter – on demand for town services is largely a question of estimating which drivers they will impact and to what extent. Before making that estimate, it is important to distinguish two ways of looking at the cost of providing additional municipal services – the direct out-of-pocket cost and the fully allocated cost. It is always easy to say, "We'll just add this new demand into the current budget; we'll just plow a few minutes of extra plowing time or add the extra student to the exiting class. The cost is just a few minutes of extra plowing time or another desk in the classroom. This direct, "out-of-pocket" approach to cost may be the least expensive fiscal approach in the short run, but it really means that the level-of-service (LOS) to everyone else falls as a result. Therefore, this measure of fiscal cost doesn't measure the full cost of the change.

The 'fully allocated cost" approach, on the other hand, starts by determining current LOS and asking the question, "What will it cost the town **to maintain the same level of service we have now** after this new development goes in?" This approach recognizes that the full cost of plowing the "extra mile" of road or teaching the "extra child" in the classroom must include some portion of the cost of the entire staff plus maintaining and amortizing buildings and equipment.

In short, a complete fiscal impact analysis of a project must consider not simply the additional direct costs that the project might cause but also the project's share of the overall costs of maintaining municipal services as a given level. In the analysis that follows, it is assumed that the LOS remains constant, i.e., that the cost of providing service to the proposed developments does not come simply from reducing services a little bit for everyone else in town.

The easiest way to estimate this full cost of service is to take total municipal expenditures, divide by total households to get an average total cost per household, and then multiply by the projected number of new households to estimate their demand for services. This is the methodology that is commonly employed by land use consultants in the presentation of fiscal impact reports on individual development projects presented to the planning board, primarily because it is so easy to calculate. However, the problem

with this approach is that it does not account for the increased costs of providing the same level of service going forward.

Projections of Future Municipal Expenses

New Boston's municipal expenses can be most usefully divided into two categories – non-education and education. The specific non-educational government expenses considered in this fiscal impact analysis are broken down according the following government functions: police, fire/EMS, transfer station, highway, recreation, library and other town administrative services which includes the assessing office, building and planning departments, health, selectman's office, town administrator, town clerk and welfare administrator to name a few.

Typically, non-educational expenses exhibit a pattern related to growth of the number of households in a community, thus it is not uncommon to employ the use of multipliers in many fiscal impact models to project future municipal service costs and expenditures as a result of new growth. However, this methodology does not easily translate to educational expenses as there is not always a clear relationship between the number of households or to the number of students enrolled.

Because Salaries and facility costs account for a significant portion of the cost of educational expenses and are based on the school district's scale combined with the age and experience distribution of its staff as well as its buildings, a more useful approach has been employed in this fiscal impact model to project what the likely costs will be (both non-educational and educational) of the eight proposed developments on the Town's services and facilities. This projection uses a LOS Standard and Operating Cost approach as presented in the following excel spreadsheet.

Basically this approach estimates what the future cost will be for the Town of New Boston to maintain the same level of service it employs now for each government function on both an ongoing annual basis and a total cost after all eight subdivisions are built out. Thus, it offers a better understanding of what the Town's true overall costs will be now and in the future.

The LOS standards applied in the projection model are based upon a ratio of the number of employees/volunteers per 1,000 population per government function and an estimated ratio of the total annual operating expenditures per future employee/volunteer per government function.

The projection model estimates the total number of new employees/volunteers (volunteers in the case of the Fire Department) that will be needed by the Town of New Boston in order to maintain the same service/operating standards of each department assuming a future population of the town. The results indicate that when all eight developments are fully built out, a total of six departments will require additional new full time employees in order to maintain current operating standards:

General Government	1 new staff
Police	1 new staff
Fire	4 new staff
Solid Waste/Transfer Station	1 new staff
Highway	1 new staff
Library	1 new staff
Total	9 new employees

The annualized and projected total fiscal cost to the Town of New Boston in providing necessary municipal services to the eight new subdivisions, including providing the addition of the above estimated new full time employees (beginning in the base year 2006 and ending in the year 2020 when the eight subdivisions are anticipated to be built out) are summarized below:

	Non-educational Costs	Educational Costs
Annual Basis	$282,130	$290,280
Total Build Out	$3,949,821	$4,063,920

Table E: Fiscal Impact Cost Projection - Service Standard Staff Ratio/Operating Cost Approach*

New Boston, NH

Land Use Scenario: Total Number of New Lots = 146/Avg. Market Value $390,000
Absorption Rate: 10 lots per year (Town Assessor's best estimate given current trends)
Build Out Estimate: 14 years at 10 lots per year - 2006 to 2020
Current 2006 Population = 5,055
Current 2006 Number of Households = 1,652 (Source: OEP, 2006 Updates)
Anticipated Additional Population Due to Growth of 146 Lots = (2000 Census) 2.88 persons per household x 146 households = 420 plus 5,055 equals = 5,475
Anticipated Additional School Age Children = (NH Housing Finance Authority) 0.54 students per unit x 146 households = 79 students plus 436 (actual enrollment 10/06) equals = 515

	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Government Function	Service Standard: Total Staff per 1,000 Population (2006)	Number of Employees/ Volunteers per Gov. Function (2006)	Number of Employees/ Volunteers Resulting from Growth (2020)	Total Annual Operating Expenditures per Gov. Function (2006)	Total Operating Expenditures Per Future Employee/ Volunteer (2020)	Total Annual Operating Expenditures by Gov. Function due to Growth	**Total Operating Expenses Due to Growth**
General Government	2.37	12	13	$1,065,299.00	$81,946.00	$81,946.00	$1,147,245
Police	1.58	8	9	$425,523.00	$47,280.00	$47,280.00	$661,920
Fire	9.88	50	54	$149,299.11	$2,765.00	$11,060.00	$154,840
Solid Waste/Transfer	1.78	9	10	$327,250.84	$32,725.00	$32,725.00	$458,150
Highway	1.39	7	8	$736,569.64	$92,071.00	$92,071.00	$1,288,994
Recreation	0.40	2	2	$68,832.48	$0.00	$0.00	$0
Library	1.58	8	9	$153,435.26	$17,048.00	$17,048.00	$238,672
			Total Municipal	$2,926,209.33	$273,835.00	**$282,130.00**	**$3,949,821**
New Boston School District	8.11	41	44	$4,257,451.00	$96,760.00	$290,280.00	$4,063,920
			Total School Distri	$4,257,451.00	$96,760.00	**$290,280.00**	**$4,063,920**

* Note: This approach is in constant dollars and excludes capital costs which are part of the town's capital improvement program
Step 1: Enter Service Standard Total Staff per 1,000 Population (2006) from Fiscal Impact Study Report
Step 2: Enter Total Number of Employees/Volunteers (2006) from Fiscal Impact Study Report
Step 3: Number of Employees/Volunteers resulting from growth is obtained by multiplying anticipated total population (5,475 divided by 1,000) by
Step 4: Enter Town of New Boston Total Operating Expenditures (2006) by Government Function from Fiscal Impact Study Report
Step 5: Column 4 divided by Column 3
Step 6: Column 5 multiplied by increase in number of employees/volunteers (Column 3 less Column 2)
Step 7: Column 6 multiplied by total build out in years (2020 - 2006 = 14 years)

II. Background Report: Primer on Establishing New Boston's Level-of-Service (LOS) Standards & Assessing the Need for Impact Fees

Introduction

The following research was conducted as a necessary first step in developing the Town's fiscal impact model as well as assessing the need for impact fees in New Boston.

The specific purpose of this research was threefold. First to summarize the financial and service related information (FY 2006/07) collected from each Town Department and the New Boston School District. Second to identify the primary drivers associated with the basic costs of each Department, including the School District (many of these drivers were identified as part of the "The Driver, Services and Cost Exercise" which was assigned as homework for each Department Head). Third to establish service standards or agreed upon formulas for measuring the level-of-service (LOS) provided by each Town Department and the School District to the community.

The development of LOS standards are necessary in order to determine the cost of the Town's future services imposed by new growth within the community. The specific governmental services examined in this report include police, fire/EMS, transfer station, highway, recreation, library, schools, and other town administrative services.

In establishing LOS standards for New Boston, two key questions were addressed. First, is the delivery of the Town's public services in tune with the demand for those services? Second, what is the overall status of the Town's existing service capacity? More specifically are the Town's existing services meeting the community's needs and at what levels of capacity are those services currently operating? The answers to these questions have a significant bearing in considering future service costs due to growth as well as determining the feasibility and need for imposing impact fees in the future.

While it is nearly impossible to identify or even to quantify all the possible daily costs and demands that may be placed on the delivery of New Boston's public services, the provision of Town's services are influenced by many factors including the demands of both residential and non-residential development, the demographics of the Town's population, as well as the unique aspects of New Boston's physical geography and highway accessibility. For these and many other reasons, it is difficult to readily compare New Boston's public services to those in other communities, even when the community has a similar number of residents. The unique demands of each community also mean that there are no ready-made formulas or standards from which to compute the precise quantity of services, facilities or capital equipment needs to serve future development. As a result, every community must be considered individually.

Police Department

The New Boston Police Department is funded primarily through local property taxes, grants and fines. The Police Department's total expenditures over the past seven fiscal years (2000 through 2006) is tracked below. The Department has four major cost centers: administration, special details, building expenses, and vehicle maintenance. Beginning in FY 2006, the Department's costs for special details were paid from a separate revolving fund.

Total Police Department Expenditures, 2000 through 2006

FY	2000	2001	2002	2003	2004	2005	2006
Admin.	$265,960	$225,806	$285,178	$310,947	$364,311	$395,744	$396,918
Special Details	$2,466	$4,423	$8,120	$5,613	$7,126	$8,045	$0
Building Expenses	$10,245	$8,947	$8,827	$18,769	$21,797	$23,397	$22,961
Vehicle Maintenance	$7,393	$3,603	$9,416	$11,153	$30,990	$10,346	$5,644
Total	$286,064	$242,779	$311,541	$346,482	$424,224	$437,532	$425,523

Source: Town of New Boston, Actual and Budgeted Expenses and Encumbrance Report

This data clearly demonstrates that the primary cost drivers associated with the operation of the New Boston Police Department are administrative and salary followed by building expenses and vehicle maintenance. Between 2000 and 2006, the Department's total expenditures increased $139,459 or roughly 49 percent. This represents on an annualized basis an average cost increase of 7 percent per year.

Over roughly the same time period, the Town of New Boston's total population grew 22 percent or 830 people from 4,138 in 2000 to 5,055 in 2006.[5] This population increase represents an annualized rate of growth of 3 percent per year. At the current rate of spending and population growth, the Police Department's *operating cost per capita* in FY 2006 was **$84.18** per person. In FY 2000, the Department's *operating cost per capita* was **$69.13** per person.

This ratio of total operating cost per capita can be employed as an LOS standard of the Department. Because there has been no major decline in the Police Department's total annual expenditures since 2000 (except for 2001), the Department's future operating costs can be projected by extrapolating these historic rates of expenditure growth forward. Other useful LOS standards can be developed as the capacity and staffing needs of the Department are considered.

At the present time, the New Boston Police Department consists of the following staff: 1 full time Chief of Police; 1 full time Sergeant; 1 full time Corporal; 2 full time Police Officers; 1 part time Police Officer; 1 full time Administrative Assistant; and 1 part time Records Clerk. In addition, the Police Department currently has budget approval for two additional police officers, but recently has not been able to fill those positions.

[5] Office of Energy and Planning municipal population estimate

Based on New Boston's 2000 population of 4,138, the total number of full time personnel within the Police Department is equivalent to **1.45** staff per thousand population, while the total number of Department personnel (both full and part-time) is **1.93** staff per thousand population.

Police Department	Personnel Including Dispatch	Staff Per 1,000 Population (2000 Census)
Full-Time Officers	5	1.21
Part-Time Officer	1	0.24
Total Part-Time	2	0.48
Total Full Time	6	1.45
Total Employees	8	1.93

Between 2000 and 2005, the ratio of the Department's total full-time personnel per thousand population dropped from **1.45** in 2000 to **1.21** in 2005 and to **1.19** in 2006 (New Boston's 2005 population was 4,968 and the current 2006 population estimate of the Town is 5,055).[6] If the Police Department was able to fill its two vacant positions bringing the total number of full-time employees in the Department from 6 to 8, the Department's total full-time personnel per thousand population ratios would be **1.93** in 2000, **1.61** in 2005, and **1.58** in 2006.

It is anticipated that the New Boston Police Department's *personnel-to-population ratio* will continue to decline in the future as the Town's population grows (provided there are no major increases in new positions added to the Department). Despite this fact, however, this ratio can be used as an LOS standard and as a service base for impact fee calculation purposes. Typically this ratio is used for comparison purposes to national, state and regional standards, however, caution should be applied in its use as a performance measure or benchmark.

According to U.S. Department of Justice and FBI figures, law enforcement agencies in the U.S. in 1998 employed an average of 2.4 full time officers and an average of 3.1 total law enforcement employees (sworn and civilian) per 1,000 inhabitants. In New England, municipal police departments had an average of 2.2 full-time sworn officers and 2.7 total law enforcement employees per 1,000 inhabitants.[7]

In New Hampshire, as of the 1997 Census of Governments, police officers represented at an average of 1.94 officers and 2.53 full time equivalent personnel per thousand population.

Based on a compilation of police department employment data prepared by the Southern New Hampshire Planning Commission, New Boston had an average full-time officer-to-population ratio of **0.8** between 2000 to 2005. This ratio is less than three of the four

[6] Office of Energy and Planning Population Estimates
[7] Municipal Benchmarks, David N. Ammons, 2nd Edition, 2001, page 300.

other similar sized New Hampshire communities (4,000 to 5,000 population range) located within the region (the regional average among these communities during the same time period was 1.23).[8]

While *personnel-to-population ratios* in general can serve as good indicators of demand for law enforcement services, direct comparisons of service needs based on personnel or full time officers per thousand residents can be misleading because of the differences in service demands that may exist from one community to another. Although a relationship between population size and the need for police officers clearly exists, in reality, population provides only a general clue to likely demand for services. Therefore, such ratios can serve only as a *rough guideline* for appropriate staffing in any given municipality.

There are other service indicators that are available through direct measures of demand. Accordingly, ratios of the total *number of hours worked per capita* or total *number of service calls per officer* may provide more revealing demand and workload information in various Police Departments than staffing ratios based simply on population. Population is only one dimension of the actual demand placed on police department services. However, because the New Boston Police Department is currently not staffed at a level that the town budget allows, the ratio of *number of hours worked per capita* may not accurately reflect the community's true policing needs. In addition, the Police Chief has indicated that because of differences in how this data has been recorded in the past, the total number of service calls in New Boston may not be accurately recorded each year. In addition, this ratio may not accurately reflect the true demand for policing within the community.

Individual municipalities often report police staffing levels not only as a sign of their commitment to public safety, but also as an indicator of officer availability in the community. Higher levels of staffing are presumed to mean more officers *on the street.* In reality, however, the number of officers employed is one of two important factors in that equation. A second and often overlooked ingredient is police management proficiency in actually getting available officers out of the station and onto the street, where they can respond to calls or engage in undirected patrol – the latter of which constitutes a community's *patrol availability factor.*

How much of a patrol officer's time should be spent on patrol rather than on assigned responses or various administrative duties? A panel assembled by the League of California Cities (1994) suggests that officers in high-service-level departments are able to devote at least 45 percent of their time to patrolling the field uncommitted; officers in medium-service-level departments have 30 to 45 percent for uncommitted patrol; and those in low-service-departments have less than 30 percent. The evidence from reporting cities, however, indicates that departments able to commit one third of the typical patrol officer's time to actual patrol are doing rather well.[9]

[8] SNHPC Regional Comprehensive Plan; Auburn (1.2), Deerfield (1.9), Candia (1.4) and Chester (0.4)
[9] Municipal Benchmarks, David N. Ammons, 2nd Edition, 2001, page 301.

Based on interviews with the New Boston Police Chief, at the present time and under most conditions, only one officer and one supervisor from the Department is needed to be on patrol in New Boston at any given time. The current staffing levels of the Department allow an officer to alternate working one to two 10 hour shifts during the seven day work week. Shifts start at 7 a.m. and end at 11 p.m. Between 11 p.m. in the evening and 7 a.m in the morning, the New Hampshire State Police is responsible for answering calls in New Boston, with response times varying significantly depending on the location. In addition, a back up off-duty call program exists with the Goffstown Dispatch Center, which contacts an off-duty, on call New Boston Police Officer to respond from their home.

Given this operational framework, it is unlikely that the Department's current patrol practices will drastically change from one to two officers patrolling New Boston at any given time, unless such a need arises in addressing the demands of the Town's growth, the number and type of service calls substantially increase, or the need for additional safety and the patrol hours warrant it.

The total number of full and part time hours worked within the Police Department (between the years 2003 through 2006) is summarized below. This data indicates the total number of hours worked during this time period increased by 11 percent and the Department averaged a total of 11,201 hours of work per year.

Total Police Department Hours Worked

Staff	2003	2004	2005	2006	Average
Full Time	8,267	9,674	9,031	8,947	8,979
Part Time	1,675	1,474	3,610	2,129	2,222
Total	9,942	11,148	12,641	11,075	11,201

Source: Town of New Boston

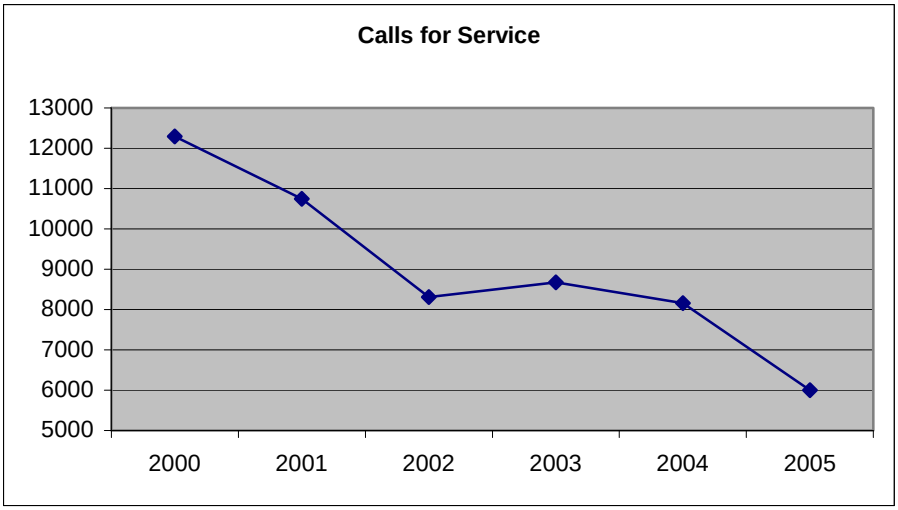
During the same time period (2003 to 2006), the Town of New Boston's total population grew by 339 people from 4,716 in 2003 to 5,055 in 2006.[10] Considering the Town's estimated 2006 population, the Police Department's total *number of hours worked per capita* was **2.19** hours per person. In FY 2003, the Department's total *number of hours worked per capita* was **2.11** hours per person. While this ratio has increased slightly since 2003, it appears to be fairly consistent and as such may present a useful measure of the Department's work demands.

While the total number of hours worked within the Department have increased since 2003, the total number of calls for police service have been significantly decreasing within the community. According to the Police Chief, this trend is due primarily because different methodologies are used by the Department for recording police activity. The following figure illustrates the total number of reported service calls received annually by

[10] Annual municipal population estimates provided by NH Office of Energy and Planning

the Police Department between 2000 and 2005. As can be seen by this data, calls for service have dramatically declined from over 12,000 in 2000 to about 6,000 in 2005. This represents an overall decrease of roughly 50 percent over a five year period or an annualized rate of decline of approximately 10 percent per year. Whether this trend continues in the future depends on many factors, including the type and amount of growth experienced in New Boston, the continued quality of police protection provided by the Department as well as the type of calls made by the residents of the community.

Calls for Service in New Boston, 2000-2005



Source: New Boston Police Department

In considering this data, the total number of *service calls per officer* in 2005 was **1,500** per officer while the number of *service calls per officer* in 2000 was roughly **2,400** per officer. Because there is no reliable way to predict the total number of service calls the Department may receive in the future, this ratio is not recommended for use as a reliable measure of the Department's LOS. Similarly a ratio of the number of *arrests per officer* is not recommended as a reliable standard for estimating the Department's future service needs.

Currently, the New Boston Police Department headquarters is located in a two-story, 2,943 square foot building located at 116 Old Coach Road. The upstairs or first floor consists of a total of 2,061 square feet and the downstairs or basement area consists of a total of 882 square feet. This building was constructed in 1998 and consists of administrative offices, a training room, a booking room, locker rooms, toilet facilities for the holding cells, and an emergency generator. The booking room, locker rooms and holding cells are located in the downstairs area while all the administrative offices, rest rooms, existing records room, kitchen and other common areas are located on the first floor.

As noted by the Police Chief, the demand for floor space in the police headquarters building is driven primarily by personnel and records keeping needs. While some improvements remain to be completed to the building, including the holding cells, the

installation of a fire sprinkler system, the addition of a radio/telephone recorder, and the installation of security cameras, these improvements will not increase the overall capacity or size of the building. Recent improvements to the building have included a roof over the back exterior walkway, waterproofing a garage bay, a fenced storage shed, and an upgraded replacement generator.[11]

According to the Town's recently updated 2006 Master Plan and discussions with the Police Chief, the police headquarters is adequate in size to address the current needs of the Department, but the building would need to be enlarged to handle additional personnel in the future. The demands of growth on the Department are primarily those of providing adequate personnel for coverage and patrols throughout the town as it grows. These demands currently fall more heavily on personnel and cruisers than on buildings, and generally depending on necessary overall improvements regarding records retention, it may be possible that future facility needs of additional officers could be met within the existing building if the records room was made available as office space.

While the police headquarters building was built in anticipation of some future growth, the exact amount of future growth assumed at the time of its construction is uncertain. It is possible IACP recommendations may have played a role in determining the amount of space needed for the Department.[12] In the past, typical IACP building size recommendations have ranged from 260 to 300 or more square feet per full time employee. Use of the lower square feet per full time employee represent averages that, according to some studies, may be biased toward urban police departments with large numbers of staff. Smaller police departments generally require a larger square foot area per full time employee.

Assuming a minimum gross floor area of 300 square feet for full time personnel, the New Boston Police Headquarters building (basically the first floor which currently houses staff) could support an additional 0.87 staff persons if utilized at the maximum ratio. Based upon the town's existing population of 5,055 and utilizing a full-time staff to population ratio of 1.58 (assuming the Department's two existing vacant positions are filled and the Department maintains a total of 8 full time staff) this would indicate there is an ability to accommodate residential growth of an additional 2,932 people in New Boston before additional police station space for employee use would be needed. Using these measures (minimum gross floor area per 6 full time employees in the Department), an estimated 87 percent of the police headquarters building capacity is now utilized. If the Department fills just one of its two current full time positions, the remaining capacity in the building (first floor) will be exhausted.

It is reported by the Police Chief, that the two existing holding cells in the basement of the Police Headquarters building are currently used for record retention and equipment storage instead of their original intended use. This raises the need for increased records retention capacity within the Department and quite possibly a similar need may exist for other town Departments as well. However, until such time as a capital improvement

[11] New Boston Master Plan Update, pg. 123.
[12] International Association of Chiefs of Police

project for expanding the records retention capacity of the Department or Town is identified and included within the New Boston's CIP, it would be very difficult to justify developing an impact fee for this space issue need within the Police Headquarters Building at this time.

However, as new development proceeds in New Boston, and the personnel requirements of the Department grow, existing space will continue to be consumed at the existing headquarters building as a result of new development. Based upon the measures noted above, there is a strong likelihood that the capacity of the police headquarters building (first floor) will be exceeded when the Department reaches it's current full time staffing of 8 employees.

Therefore, while it is possible an impact fee may be used now to recoup a portion of the remaining capacity of the police headquarters building (i.e. approximately 268 square feet) as well as allow for the potential for additional space to be added to the building to serve increased demands from growth in the future (such as records retention), the use of such a facilities component to an impact fee is not recommended at this time because the Town would need to (1) first reach a full time staff of 8 within the Department; (2) absorb a significant amount of population growth or experience some other significant public safety issue in order to justify expanding the existing capacity of the building; and (3) schedule a building expansion project within the Town's CIP.

If the Town wanted to impose an impact fee for police facilities, it would mostly likely be based on the expected number of full time personnel that would be needed within a certain time frame as well as the associated space needs of the Department assuming that the current ratio of full-time personnel per thousand population continues into the future.

Because there are no capital projects for the Police Department scheduled in New Boston's existing Capital Improvement Program, 2007-2012 and no special warrant articles were adopted at the 2007 town meeting to improve the police headquarters, it can be assumed for the purpose of this report that the Town has determined that the police headquarters building currently has adequate capacity to address the Department's employee needs for the immediate future. The need for additional storage space within the building or the issue of increasing records retention capacity among town Departments is a larger issue facing the community and would need to be addressed in the Town's CIP before an impact fee could be considered for this capital facility need.

As reported in the Town's updated 2006 Master Plan, the primary needs of the Police Department at this time include the purchase of computer equipment upgrades and completion of the holding cells, installation of a fire suppression system, installation of a security camera system, and installation of an alarm system in the headquarters building by the year 2010. The Department also foresees additional spending on officer benefits and manpower increases, infrastructure improvements, and expansion of existing services. These improvements are based on the limitations of existing programs and staff as well as the increasing population of New Boston.

Currently, the best potential for the development of an impact fee for the Police Department would be to calculate a vehicle component of the fee. This could be accomplished by first determining the current LOS being provided to existing development within New Boston and then proportioning the demand for police services (vehicles and equipment) between residential and nonresidential development. An LOS of *residential-vehicles/equipment per person* and a *nonresidential-vehicles/equipment per nonresidential trip* could be calculated as the basis of the fee. However, before such an approach is taken, it is advisable that a legal opinion be obtained to determine under New Hampshire state law if such a component of a future Police or Public Safety Impact Fee could be assessed independent of the facilities component.

In addition, it would be advisable to obtain a legal opinion as to whether the cost of the Police Department's vehicles most likely would need to continue to be included in the Town's CIP. If these costs are moved out of the CIP and back into the Police Department's operating budget, under New Hampshire statutes, it may not be possible to assess this impact fee. Under RSA 674:21 V. (c), impact fees shall be used solely for the capital improvements for which it was collected, or to recoup the cost of capital improvements made in anticipation of the needs which the fee was collected to meet.

The Town's recently updated Master Plan indicates that the Department currently has four primary police cruisers, which travel approximately 20,000 miles annually and are on a four-year cycle for replacement.

New Boston Police Department Fleet Summary

Vehicle	Ownership	Current Mileage*
2005 Ford Expedition	Leased	31,170
1999 Ford Explorer	Owned	44,500
2005 Ford Crown Victoria	Leased	34,523
2005 Ford Crown Victoria	Leased	31,347

*November 2007
Source: Police Department

Costs to replace the Department's cruisers are currently factored into the Town's CIP. The Town was able to obtain 3 new cruisers in 2005 as part of a lease program which is currently in effect. The Department's vehicle/equipment LOS for residential development can be easily calculated as follows: 4 vehicles/equipment multiplied by 5,055 persons equals **0.001 *vehicles per person***. However, determining the LOS for nonresidential development is more complicated. One method to consider is to calculate a vehicles/equipment LOS per nonresidential vehicle trip expressed as a ratio of *average daily nonresidential vehicle trips on a weekday per 1,000 square feet of nonresidential gross floor area.*

While average weekday vehicle trip ends can be obtained from the reference book, Trip Generation 7th Edition, published by the Institute of Transportation Engineers (ITE, 2003), the total nonresidential gross floor area for retail/commercial, office, public sector,

and manufacturing or goods producing industries in New Boston would need to be obtained. It is not known if these figures are currently available.

Recommendations:

1. Utilize the *operating cost per capita* measure as an LOS standard of Department in the Town's fiscal impact model. In FY 2005 the Department's operating cost per capita was **$84.18** per person. This ratio can be easily calculated by dividing the Department's total annual expenditures by the current population of New Boston. It provides a year to year benchmark that can be used to determine what the Department's true operating costs will be in the future provided the Department is maintaining the same level of service, staff size and policing practices as provided the year before. This ratio can also take into account the increased costs to the Department and the Town for providing the same level of service in the future.

2. The *total number of hours worked per capita* is not recommended as an LOS standard of the Department in the Town's Fiscal Impact Model because there are currently two unfilled officer positions which exist within the Department's budget. If all the Police Department positions were filled at capacity with a complete and accurate history of the total hours worked by each employee, this ratio could provide a year to year benchmark that could be used to determine what the Department's work load demand may be in the future provided the Department is maintaining the same level of service, staff size and policing practices as provided the year before. However, this ratio does not provide a true cost of all the Department's services. It reflects only staffing costs and does not take into account the Department's building, equipment and vehicle expenses.

3. The Department's *full-time personnel to population ratio* can be considered an effective LOS standard for use in the development of a future Police facility or Public Safety impact fee assessment methodology. This fee would mostly likely be based on the expected number of full time personnel that would be needed within a certain time frame as well as the associated space needs of the Department assuming that the current ratio of full-time personnel per thousand population continues into the future. However, it is not recommended that the Town pursue a facilities component to a Public Safety impact fee for police facilities at this time. In the future, if Town has determined there is a real need for specific public improvements to the police headquarters building and has included such facilities within its CIP then such an impact fee may be warranted.

4. An impact fee to address the capacity needs of the Police Department headquarters should not be considered by the Town until: (1) the Department reaches a staff of over 8 full time employees; (2) New Boston's population grows an addition 2,932 people; and (3) a capital improvement building expansion project is identified and included in the Town's CIP.

5. A *residential-vehicles/equipment per person* and a *nonresidential-vehicles/equipment per nonresidential trip* LOS standard may be used to calculate a vehicles/equipment component of the Town's future Police impact fee assessment methodology. It is recommended, however, that a legal opinion be obtained to determine under New Hampshire state law if such a component of a future Public Safety impact fee could be assessed independent of the facilities component. In addition, it would be advisable to obtain a legal opinion as to whether the cost of purchasing Police Department's vehicles would need to continue to be included in the Town's CIP in order to assess this fee.

Fire Department

The New Boston Fire Department was organized in the late 1800s as the Constitution Company. It is currently a 100 percent all volunteer fire department. There are very few personnel or staffing costs to the public to operate the Department.

The Department's expenditures consist of the following cost centers: administration, fire fighting, fire inspector/expenses (part-time fire inspector), fire fighting (training and rescue), communications (emergency 911 lines, cell phone, dispatching services, radio, etc.), vehicle fleet (maintenance and operation), medical supplies, fire station (capital expenses) and emergency calls.

The largest costs to run the Department result from emergency calls, vehicle fleet operations and maintenance, administration, inspections and building maintenance. A detailed breakdown of all the Department's actual expenditures by each cost center from 2001 through 2006 is provided in the following table. This information indicates that the total cost to operate the New Boston Fire Department increased $60,794.81 from 2001 to 2006. This represents an overall increase of 69 percent or an annualized rate of increase of roughly 10 percent per year during this time period.

Over roughly the same time period, the Town of New Boston's total population grew 22 percent or 917 people from 4,138 in 2000 to 5,055 in 2006. This population increase represents an annualized rate of growth of 3 percent per year. At the current rate of spending and population growth, the Fire Department's *operating cost per capita* in FY 2006 was **$29.53** per person. In FY 2000, the Department's *operating cost per capita* was **$21.39** per person.

Total Fire Department Expenditures, 2000 through 2006

FY	2000	2001	2002	2003	2004	2005	2006
Admin	$8,415.60	$8,402.86	$6,888.73	$7,229.29	$8,172.46	$8,756.13	$17,325.65
Fire Fighting	$11,455.43	$14,547.09	$8,988.56	$23,936.99	$18,749.93	$15,552.76	$10,121.85
Inspector Expenses	$7,965.07	$10,029.41	$10,304.02	$10,715.10	$12,825.93	$11,995.59	$16,964.36
Training	$2,460.09	$6,922.45	$7,221.57	$9,588.32	$8,531.77	$9,722.96	$9,706.40
Radios, Papers, etc…	$15,541.55	$10,463.09	$10,747.59	$17,077.00	$12,128.72	$11,895.24	$15,314.12
Vehicle Supplies	$11,032.82	$8,190.36	$19,666.83	$17,418.48	$21,642.80	$27,657.22	$25,989.73
Medical services	$1,772.22	$3,819.47	$4,731.85	$5,571.01	$6,315.27	$5,991.48	$8,268.30
Building Expenses	$19,082.47	$15,218.25	$5,381.32	$10,078.48	$10,686.56	$14,651.05	$16,739.50
Emergency Calls	$10,779.05	$14,074.80	$19,088.80	$21,880.00	$13,156.70	$21,554.80	$28,869.20
Total	$88,504.30	$91,667,78	$93,019.27	$123,494.67	$112,210.14	$127,777.23	$149,299.11

Source: Town of New Boston, Actual and Budgeted Expenses and Encumbrance Report

This ratio of total operating cost per capita can be employed as an LOS standard of the Department. Because there has been virtually no decline in the Fire Department's total annual expenditures since 2000 (except for 2004), the Department's future operating costs can be projected by extrapolating these historic rates of expenditure forward.

The validity of this LOS standard of course is contingent upon the Department continuing to operate as an all volunteer fire department. If this changes at some point in the future, this LOS standard would need to be recalculated with all staffing costs included as part of the Department's annual operating expenditures. Other useful LOS standards can also be developed as the capacity, number of service calls and response needs of the Department are considered.

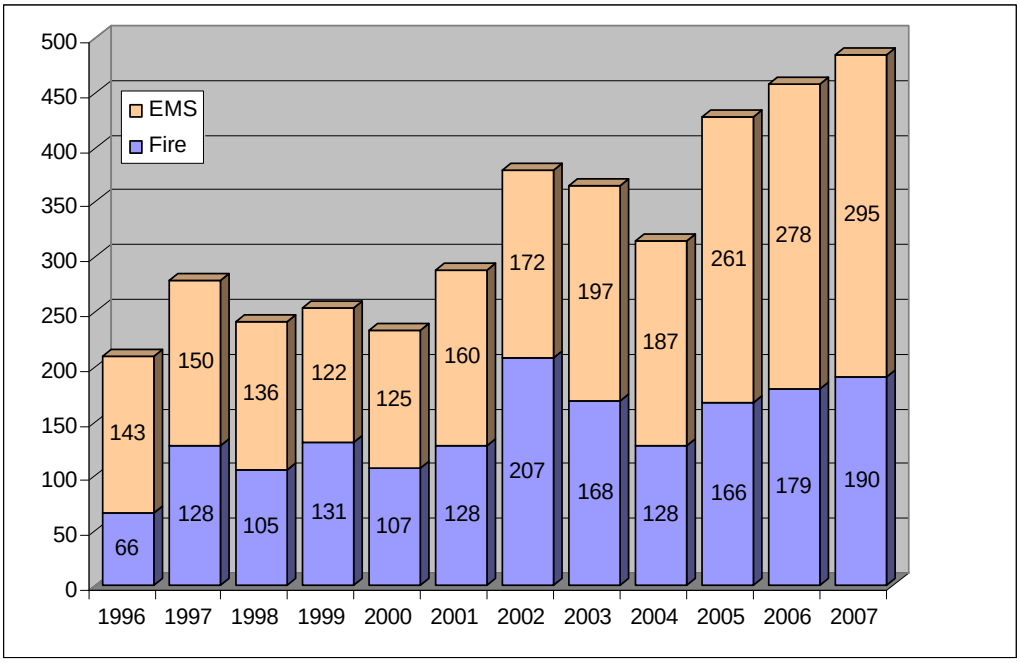
The primary drivers identified by the Fire Chief impacting the Department's costs and operations are the number of fire and emergency calls the Department receives in any given year. Because the Town of New Boston does not charge for emergency calls, these costs are absorbed as part of the Department's ongoing expenses.

The following graph provides a history of the Department's fire and emergency calls from 1996 through 2006, with an estimate of the total number of calls anticipated for 2007. As illustrated, calls for both EMS and Fire have increased significantly over the past 10 years rising from 209 calls in 1996 to 457 in 2006. This represents an overall rate of increase of 119 percent or an annualized average rate of increase of almost 11 percent per year.

Since 2004, there have been significantly more EMS calls than fire calls (about 35 percent more within the past three years alone). New Boston's increasing EMS calls are reflected in the Department's increasing EMS expenditures.

According to the Fire Chief, increasing EMS calls are also placing strains on the Department's volunteer staff as occasional shortages are occurring during the normal working hours of the day.

New Boston Fire Department Fire and EMS Calls, 1996 – 2007*



*Note: 2007 is estimated by the Fire Department
Source: New Boston Fire Department

In preparation for this report, the Fire Department recently prepared the following tables which calculate the Department's *cost per call* for both Fire and EMS calls from 1996 through 2006 as well as the *per capita cost of EMS calls* during the same time period. The Department also prepared an estimate of what they anticipate the cost per call for 2007 might be. These figures provide a useful benchmark for future budgetary purposes and as such will be helpful in developing the Town's Fiscal Impact Model. However, the usefulness of these ratios is dependent upon the ability of the Department to assess with a certain degree of accuracy the number of potential new calls a new residential subdivision or non-residential development could generate.

According to the Fire Chief, the primary goal of the New Boston Fire Department is to stay volunteer for as long as possible. However, the Department recognizes that the Town will eventually need to employ full-time staff in the future. As a result, the Fire Department is positioning itself to transition toward a combination part-time and volunteer Department first before transitioning to full-time staff. As indicated in the Fire Chief's statement (see Appendix), when the Town of New Boston experiences around 600 calls annually, the town will need to seriously consider full-time fire employees.

Currently, there are seven elected Fire Wards who annually elect a Fire Chief and two Assistant Chiefs, who manage the daily operations and the volunteer firefighters. All positions are voluntary with the exception of a part-time fire code inspector and investigation officer who works 8 hours a week (in 2007 the Department plans to outsource this job). The Fire Wards are also responsible for ensuring the access, adequacy, and maintenance of water supplies available for firefighting purposes throughout the Town.

New Boston Fire Department Cost Per Call (Fire and EMS Combined)
1996 to 2007*

Year	Fire	EMS	Total	% Change	Annual Cost	Cost Per Call
1996	66	143	209	0.0%	$ 9,980.00	$48.00
1997	128	150	278	33.0%	$13,295.00	$48.00
1998	105	136	241	-13.3%	$13,876.00	$58.00
1999	131	122	253	5.0%	$13,168.00	$52.00
2000	107	125	232	-8.3%	$10,779.00	$46.00
2001	128	160	288	24.1%	$14,075.00	$49.00
2002	207	172	379	31.6%	$19,089.00	$50.00
2003	168	197	365	-3.7%	$21,400.00	$59.00
2004	128	487	315	-13.7%	$13,184.00	$42.00
2005	166	261	427	35.6%	$21,545.00	$50.00
2006	179	278	457	7.0%	$28,869.00	$63.00
2007	190	295	485	6.1%	$32,000.00	$66.00

*Note: 2007 is estimated
Source: New Boston Fire Department

One of the challenges in maintaining the volunteer aspect of the Department is the availability of a senior leadership person to drive the recruitment and training of volunteers. As the organization transitions through the retirement of senior members, the Department hopes to find younger members willing to step up to these positions.
According to the Town's recently updated Master Plan, the Fire Department is comprised of approximately 50 Fire and Rescue volunteer squad members. The Rescue squad has approximately 16 EMTs. Most Fire squad members are level-1 certified firefighters with HAZMAT certification, six members are level-2 firefighters, and several are certified as firefighting training instructors.

According to the Fire Chief, if all the volunteers in the Fire Department were paid by the Town on a part-time basis, the rate of pay per hour would begin at minimum wage (roughly $5.95 per hour) plus .50 cents for gas/mileage.

New Boston Fire Department Cost Per Emergency Calls
1996 to 2007*

Year	NB Pop.	FD Budget	Emerg. Call Volume	Call Change	Cost Per Emerg. Call	Cost Per Capita	Ratio	Pop. Change
1996	3550	$63,145	209	0	$302.13	$17.79	5.89%	0
1997	3605	$69,914	278	69	$251.49	$19.39	7.71%	55
1998	3700	$78,023	241	-37	$323.75	$21.09	6.51%	95
1999	3700	$78,073	253	12	$308.59	$21.10	6.84%	0
2000	3913	$91,550	232	-21	$394.61	$23.40	5.93%	213
2001	4138	$92,650	288	56	$321.70	$22.39	6.93%	225
2002	4138	$91,717	379	91	$242.00	$22.16	9.16%	0
2003	4554	$121,955	365	-14	$334.12	$26.78	8.01%	416
2004	4716	$114,710	315	-50	$364.16	$24.32	6.68%	162
2005	4856	$123,860	427	112	$290.07	$25.51	8.79%	140
2006	4968	$149,300	457	30	$326.70	$30.05	9.20%	112
2007	5100	$170,075	485	28	$350.67	$33.35	9.51%	132

*Note: 2007 is estimated
Source: New Boston Fire Department

While there are numerous NFPA standards related to staffing levels for various size Fire Departments based upon the number of career firefighters per 1,000 population, these standards do not take into account volunteers. Because the New Boston Fire Department is an all volunteer Department, it is not recommended that an LOS for the Department be based upon a simple calculation of *personnel-to-population ratios* as is recommended for the Police Department. However, it must be noted that NFPA (1992) has long encouraged that a minimum acceptable fire company staffing level should be four firefighters responding on or arriving with each engine and each ladder truck responding to any type of fire – this does not mean however that all 4 arrive on the same vehicle.[13]

The Fire Department has recently calculated its current response times by averaging the response times for all the calls received during the month of February 2006. This data indicates that on average it takes the Department 3.2 minutes to sign on, 6.0 minutes to respond and 12.3 minutes to arrive at the scene for an overall average response time of 21.5 minutes. As reported in the Town's Master Plan, daytime fire calls bring five to six volunteer firefighters within approximately five minutes and 12 volunteer firefighters within approximately 20 minutes. Evening and weekend calls may have up to 25 volunteer firefighters responding to a fire fighting call.

[13] Municipal Benchmarks, David N. Ammons, 2nd Edition, 2001, page 144.

Generally most Fire Department's performance objectives for response times are guided by the National Fire Protection Association standards under NFPA 1710. These recommended standards for response time were developed by NFPA on the basis of research indicating the optimal response time necessary to preclude high proportions of property destruction and loss of life. NFPA studies indicated that the rate of "fire propagation", as a function of time and temperature rise, accelerates rapidly when the initial response times exceed the desired 4-6 minute time frame. Data within NFPA 1710 illustrate that response times beyond this range greatly increase the likelihood that the majority or totality of a property will be destroyed by fire.

In discussions with the Fire Chief, every new subdivision and housing development within the Town is continuing to place a strain on the Department's volunteer hours and ability to adequately respond to emergencies. Fewer and fewer people within the Town are interested in volunteering. As a result, the Department is making more calls for mutual aid assistance more often depending upon the emergency and availability of volunteers.

Currently, New Boston is a member of the Souhegan Mutual Aid Fire Association, a 15-town collaboration of personnel and response vehicles for emergencies within the communities. New Boston is also part of the Souhegan Mutual Aid Response Team (SMART) to respond to hazardous materials incidents.

The Department's main fire house is located on Meetinghouse Hill Road in a building originally constructed in 1973 and expanded in 1980. The building is three bays wide by two bays deep, and it also contains a radio room, a hose tower, bathrooms, and a large storage area. The second floor over the rear of the building contains a meeting room and a kitchen. There is an on-site septic system as well as water from a well adjacent to Town Hall. The total square footage of the building is 5,664 square feet, inclusive of the apparatus bay.

According to the Fire Chief, the main deficiency of the building is that all replacement vehicles and apparatus must be sized according to the existing building (door openings). As a result, the Fire Department has initiated a study to consider the feasibility of constructing a new fire house to replace the existing building. This study will examine the costs between reconstructing and improving the existing facility on the same lot as well as constructing a new facility on a new lot within a central location of the Town.

As reported in the Town's recently updated Master Plan, the Fire Department believes it will need a larger facility within the next five to seven years. Additional space is needed primarily to house the Department's larger apparatus. Also, additional storage space is needed to fulfill the long term plan of office space and a working area for part-time and full-time personnel in the future.

On September 19, 2007, the New Boston Fire Department completed a Conceptual Program and Budget for a New Fire/EMS Headquarters Facility. This report concludes that the current station, which had its last major renovation 40 years ago, is not only too

small to adequately house the equipment on hand, but is also functionally obsolete. In addition, the report indicates that the current station does not meet modern criteria for public safety buildings. There are no decontamination facilities for cleansing of gear, no shower facilities for staff, no vehicle exhaust containment system, inadequate toilet facilities, no available space for administrative work, and the entire building does not conform with ADA accessibility guidelines.[14]

In laying out the design for a new building, the report assumes that the Department will be staffed for basic, full-time, Fire/EMS personnel consisting of four firefighters, two firefighter/EMT's, and a watch commander per 8 hour shift. The report also proposes a full building program consisting of 14,500 square feet of space and a modified program consisting of slightly over 10,000 square feet. The modified program would allow incremental construction and additions to be made to a base structure. The main differences between the two programs would be the deletion of space necessary to support full-time department activity, reduction in size of the toilet rooms, and two less bays. The overall concept for both programs is similar as shown in the sketch of the modified building below.



According to the Fire Chief, only the modified building program has been brought forward to the Town of New Boston at this time.

A key element of the proposed building plan is that the Town of New Boston would need to find or acquire land for the new fire headquarters. Based upon the footprint of the building in the full building program, including necessary access to bays, parking, landscaping and setbacks, etc., the report recommends that the Town purchase a site no less than 3 acres in size. The report estimates for budgetary purposes (in 2007 dollars)

[14] New Boston Fire Department, Conceptual Program and Budget for the New Fire/EMS Headquarters Facility, September 19, 2007, page 1.

that land acquisition costs would be in the order of $300,000. The cost of the full building program with fixtures, furniture and equipment is estimated to be $2,267,650 (based upon $150/s.f. as the all-inclusive cost) while the cost of the modified building program is estimated to be $1,569,800 (assuming the same cost per square foot).

As a result of this report, the Town of New Boston's recently adopted Capital Improvement Program, 2008-2013 now includes the construction of a new Fire/EMS Headquarters to replace the Town's current facility. This facility is scheduled in the CIP for construction in the year 2013 pending the approval of a 15-year bond.

Other Fire Department capital projects in the CIP also include the purchase of Fire Equipment through the support of $90,000 per year between 2008 through 2013 to the Town's Capital Reserve Fund (CRF). The Town's CIP also currently identifies $26,000 in the CRF which has been accrued toward the purchase of this equipment.

In addition to the main fire house on Meetinghouse Hill Road, the Hilltop Fire District was established in cooperation with the Fire Departments of New Boston, Amherst, and Bedford, and the U.S. Air Force at the New Boston Tracking Station. As Amherst and Bedford have since ended their relationship with the station, the New Boston Fire Department is now responsible for providing coverage to the Air Force Tracking Station on-call throughout the week.

The Air Force requested that New Boston maintain the station (this building is roughly 3,000 sq. ft. measuring 60 x 50 feet in size), in exchange for use of Air Force equipment and tools. As reported in the Town's updated Master Plan, the Air Force maintains a 76-M6 engine, a 76-M5 yellow mini-pumper, a set of Hurst tools, and a thermal imaging camera. The New Boston Fire Department also keeps a 76-X2 ambulance at Hilltop. By maintaining the Hilltop station and equipment, the New Boston Fire Department is also able to provide improved fire protection services to this part of the community. However, according to the Fire Chief this station cannot be expanded and it is not well staffed. In addition, the Department is currently in the process of renegotiating a new agreement with the Air Force for maintaining the station.

As the Fire Department has recently completed a study of its facility needs for the future, it is possible to calculate a facilities component of a Fire or Public Safety Impact Fee for the Town utilizing an incremental expansion cost approach methodology. This methodology documents the current LOS for each type of public facility in both quantitative and qualitative measures.

The intent of this approach is to use impact fee revenue to expand or provide additional facilities, as needed to accommodate new development, based on the current cost to provide those capital improvements. Because the Fire Department provides service to both residential and nonresidential development within the community, the impact fee could be allocated on a per capita basis for residential development and for nonresidential development.

New Boston Fire Department Vehicles

Vehicle	Year	Features
76 Engine 1 - KME Pumper	2006	6 person crew cab, 1,000 gallon tank; 1,250-gpm pump; 12 & 24 foot ladders; 9 air packs; 1,000 feet of 4-inch hose; 250 feet of 2 ½-inch hose; and 1,000 feet of 1 ½-inch hose, thermal imager, 6 handheld radios and temperature gun
76 Engine 2 – KME Pumper	1991	6 person crew cab, 1,000 gallon tank, 1,250-gpm pump, 12, 24 & 36 foot ladders, 9 air packs, 1,000 feet of 4-inch hose, 250 feet of 2 ½ hose, and 1,000 feet of 1 ½ hose, thermal imager, 6 handheld radios. Rescue equipment includes jaws-of-life, and other assorted rescue equipment
76 Hose 1- Ford L8000 diesel Reel Truck	1994	1000-gpm pump; 2,800 feet of 4-inch hose
76 Tanker 1 - Ford L9000 diesel tanker	1988	2,200-gallon water tank; 2,000-gallon port-tank; and a portable pump
76 Forestry 1 – Freightliner Forestry truck 4x4	2006	1,000 gallon water tank, 250 gpm pump, assorted hand tools for forest fires, 2,000 gallon porta-tank, 1 floating pump, 1 wajax pump, 1 reel equipped with 1,200' of forestry hose, and 1 reel equipped with 750' of single jacket, 1 RobWen foam proportioner, 7 pre-packed forestry bags each containing 300' of 1½" forestry hose gated wye, nozzle and hose clamp.
76 Forestry 3 – International Forestry Truck 4x4	1975	1,000 gallon water tank, 250 gpm pump, assorted hand tools for forest fires, 2,000 gallon porta-tank, 2 floating pumps, 1 wajax pump, 1 reel equipped with 750 feet of single jacket, 1 RobWen foam proportioner, 5 pre-packed forestry bags each containing 300' of 1 ½" forestry hose gated wye, nozzle and hose clamp
76- Ambulance 1- Ford E450 ambulance 4x4	1999	State licensed. Also has a cold water rescue suit.
76-Ambulance 2 – Ford E350 ambulance 4x4	1989	State licensed.
76U2 – 2006 Ford utility body	2006	Contains cascade system, forestry tools, backup medical equipment (defib, o2, jump kit), 5000 watt generator, 12 handheld radios, and 10 hand lights. Also has a cold water rescue suit and rescue sled.

Source: Town of New Boston Master Plan

The LOS for residential development would be expressed as *square feet per person.* It can be calculated by multiplying the total square footage of the Department's existing fire house by the percentage of residential demand for fire fighting services within the community and the Town's current population. The LOS for nonresidential development would be expressed as *square feet per employee*. It can be calculated by multiplying the total square footage of the Department's existing fire house by the percentage of nonresidential demand for fire fighting services within the community by the total

number of employees working within New Boston. When the LOS is known the fee can then be calculated by multiplying the LOS by the replacement cost to build a new facility as expressed as a cost per person for residential development and as a cost per employee for nonresidential development.

If the Town decides that it will need to purchase land for a new facility, the total acreage required for the new facility would need to be determined. An LOS could then be calculated for residential development on an *acres or square feet per person* and for nonresidential development on an *acres or square feet per employee* basis utilizing the same formula for determining the facility LOS standard. When the LOS is known the fee can then be calculated by multiplying the LOS by the acquisition cost per acre for the land as expressed as a cost per person for residential development and as a cost per employee for nonresidential development.

A similar methodology can be employed to calculate a vehicles and equipment component of the Fire or Public Safety Impact Fee. The LOS can be expressed as *vehicles/equipment per person* for residential development and *vehicles/equipment per employee* for nonresidential development. The preceding table provides a summary of the status of the Department's existing vehicles. A FEMA grant to the Department financed $171,000 of the purchase of a new forestry vehicle to replace the 1975 Forestry Truck, with the town funding the remaining percentage. The old vehicle will remain in use as long as it functions.

As reported in the Town's 2008-2013 CIP, a total of 8 projects are identified for the Fire Department with respect to vehicle replacement: Fire Equipment Annual Capital Reserve Fund at $90,000/year for the years 2007-2013; a 2005 Air Truck (scheduled for replacement on an 8-yr cycle in 2014 at an estimated cost of $10K); a 1988 Tank Truck (scheduled for replacement on a 15-yr cycle in 2008 at an estimated cost of $60K); a 2006 Forestry Truck (scheduled for replacement on a 15-yr cycle in 2022 at an estimated cost of $40K); a 2006 Pumper (scheduled for replacement on a 15-yr cycle in 2016 at an estimated cost of $30K); a 2005 Pumper (scheduled for replacement on a 25-yr cycle in 2021 at an estimated cost of $40K); a 1994 Hose Reel Truck (scheduled for replacement on a 15-yr cycle in 2009 at an estimated cost of $30K); and a 2007 Ambulance (scheduled for replacement on an 8-yr cycle in 2015 at an estimated cost of $175K).

The total estimated cost of the Department's vehicle and equipment capital projects as scheduled in the Town's 2008-2013 CIP is $540,000. However, the total of all the Department's capital needs as identified in the CIP, including replacing the Fire House is well over $1.95 million dollars.

Other factors can also be considered in the development of an LOS for the Fire Department, including maintaining a desired fire insurance rating classification and level of preparedness. Fire insurance rating classifications vary within a community depending upon insurance rating schedules maintained by the Insurance Service Office (ISO). Fire service professionals recommend that communities look at the whole fire protection system in their service area by examining the services related to prevention; the level of

fire risks in the community based on the type of buildings, density and extent of utilities and water supplies present; the presence of special high-risk groups; special apparatus needs; the condition of housing and buildings; local fire loss history; and an assessment of other risk factors in the community such as the volume of vehicular traffic.

While a community's score on a grading schedule of ISO insurance ratings may be used as a measure of a Fire Department's LOS and equipment needs, this score is more oriented toward insurance considerations (property loss prevention) rather than towards community goals. Similarly, a simple analysis of the number of service calls per capita handled by the Department is not necessarily a predictor of future needs, since it does not measure the prevention aspect of fire service activity.

Level of preparedness reflects the overall training, experience and readiness of the Department's volunteers, equipment and vehicles. While this is difficult to assess, it is possible that an analysis of the Department's man-hours devoted to fire suppression, prevention and support activities could be made. The Bureau of Fire Standards and Training, Division of Fire Service, New Hampshire Department of Safety is available on a consulting basis to local fire departments to analyze their manpower needs and facility requirements, and to help determine the appropriate level of fire service.

While it is possible the Fire Department can obtain the Bureau of Fire Standards and Training assistance to derive an LOS that may reflect the total number of man-hours required for the entire operation; the provision of appropriately rated equipment and station facilities to house the manpower and equipment; and the ability of the community to maintain and deliver adequate water supplies for fire suppression, for the purpose of this fiscal impact analysis, it suggested that the LOS standards applied to the Fire Department be readily expressed in terms of:

Demand: Total hours of service and/or calls answered; calculate residential sector per capita and non-residential per employee or per square feet.

Service Standard: Manpower and apparatus needs to meet ISO or desired standard for response times, fire flow, etc.

Facility Standard: Square footage required to house manpower and equipment at desired community service level.

Recommendations:

1. Utilize the Fire Department's current operating cost per capita (FY 2006) of **$29.53** per person as the Department's LOS standard in the Town's fiscal impact model. This ratio can be easily calculated on an annual basis by dividing the Department's total annual expenditures by the current population of New Boston. It provides a year to year benchmark that can be used to determine what the Fire Department's future operating costs may be provided the Department maintains the same LOS, equipment, facilities and operational support as provided the year

before. This ratio can also take into account the increased costs to the Department and the Town for providing the same level of service in the future, including a transition from an all volunteer department to full or part-time staff.

2. Employ the Fire Department's current cost per call and cost per capita of both Fire and EMS calls as a useful benchmark for budgetary purposes. The Department's cost per call can be easily calculated on an annual basis by dividing the Department's budget by the current population of New Boston. In addition, the per capita cost can be obtained by dividing the Department's budget by the call volume. However, the usefulness of these ratios as an LOS standard of the Fire Department in the Town's fiscal impact model is dependent upon the ability of the Department to assess with a certain degree of accuracy the number of potential calls a new residential subdivision or non-residential development may generate in the future. This could be a difficult task and would require several assumptions related to determining an average number of calls both Fire and EMS calls per household or type of land use based upon the town's historic trends.

3. Do not develop an LOS standard of the Fire Department which is based upon response time or New Boston's ISO insurance rating as a measure of the Department's manpower and equipment needs to be employed in the Town's fiscal impact model. While the Fire Department has calculated its current response times by averaging the response times for all the calls received during the month of February 2006, this data will vary month to month and year to year and as a result will not provide a consistent baseline for projecting future service needs. In addition, ISO insurance ratings are geared more for insurance ratings as opposed to LOS standards.

4. Utilize a *square feet per person and square feet per employee ratio* as the LOS applied in the Town's future Fire or Public Safety impact fee assessment methodology. This fee can be calculated by multiplying the LOS for both residential and nonresidential development by the replacement cost to build a new facility expressed as a cost per person. To assess this fee, the Department and the Town must decide the exact size facility that will be needed and when such facility should be built. Because a new Fire/EMS Headquarters facility has been included in the Town's 2008-2013 CIP, it can be concluded that the Town has determined that there is a real need for this facility. However, any impact fee assessment for this facility should wait until the Town has voted to proceed with the necessary construction bond. In addition, the Town should decide where the new facility should be constructed within the community and begin to identify available properties before any impact fee is warranted.

5. If the Town votes to approve a bond and build a new Fire/EMS Headquarters facility, the land for the facility would most likely need to be purchased. The cost of the land could be included in the Town's future Fire or Public Safety impact fee assessment methodology. To accomplish this, an LOS would need to be established and allocated on a residential cost basis or ratio of *acres or square feet*

per person and on a nonresidential cost basis of *acres or square feet per employee*. However, in order to assess this fee the Town must decide what size property would be needed for the new facility – i.e. 3 acre minimum or 5 aces preferred as recommended by the Fire Department as well as estimate what the acquisition cost per acre would be for the land.

6. A *vehicles/equipment per person* for residential development and a *vehicles/equipment per employee* for nonresidential development could be considered as an LOS standard of the Department in order to calculate a vehicles/equipment component of the Town's future Fire or Public Safety impact fee. However, it is recommended that a legal opinion be obtained to determine under New Hampshire state law if such a component of a future Fire or Public Safety impact fee could be assessed independent of the facilities component as described in #4 and #5 above.

Transfer Station

The New Boston Transfer Station is funded primarily through local property taxes, grants and fees. The Transfer Station's total expenditures over the past seven fiscal years (2000 through 2006) is shown below. The Transfer Station has four major cost centers: administration, hazardous waste, solid waste disposal and building/equipment maintenance.

Total Transfer Station Expenditures, 2000 through 2006

FY	2000	2001	2002	2003	2004	2005	2006
Admin	$81,707.19	$82,842.57	$90,442.85	$104,230.28	$115,868.98	$150,406.40	$154,241.34
Hazard Waste	$11,843.30	$12,175.13	$11,550.26	$10,143.03	$3,639.52	$4,609.96	$5,463.73
Solid Waste Disposal	$124,749.99	$123,145.22	$145,682.71	$181,171.60	$160,512.09	$151,728.17	$139,417.07
Building Equipment/ Maint	$17,356.11	$29,404.71	$25,482.86	$19,479.53	$49,521.53	$21,812.03	$28,128.70
Total	$235,656.59	$247,567.63	$273,158.68	$315,024.44	$329,542.12	$328,556.56	$327,250.84

Source: Town of New Boston, Actual and Budgeted Expenses and Encumbrance Report

This data clearly demonstrates that the primary costs associated with the operation of the Transfer Station are administrative and salary followed by solid waste disposal and building/equipment maintenance. While the Station's total expenditures have been decreasing since 2004, overall between 2000 and 2006, the Station's total expenditures have increased by $91,594.25 or 39 percent. This represents on an annualized basis an average cost increase of 5.5 percent per year.

Over roughly the same time period, the Town of New Boston's total population grew 22 percent or 917 people from 4,138 in 2000 to 5,055 in 2006. This population increase represents an annualized rate of growth of 3 percent per year. At the current rate of spending and population growth, the Transfer Station's *operating cost per capita* in FY 2006 was **$64.74** per person. In FY 2000, the Department's *operating cost per capita* was **$56.95** per person.

This ratio of total operating cost per capita can be employed as an LOS standard of the Transfer Station. Even though there has been a decline in the Transfer Station's total annual expenditures since 2004, the Transfer Station's future operating costs can be projected by extrapolating historic rates of expenditures forward. Other useful LOS standards can also be developed as the capacity, staffing, equipment and land needs of the Transfer Station are considered.

The basic demand which drives the operation of the Transfer Station is the generation of solid waste within the community. The generation of municipal solid waste is typically expressed as tons per year or gross annual tons per capita or pounds per capita per day and can be calculated by multiplying the annual or daily solid waste contribution in tons to a facility by the population within the community.

Estimates of solid waste generation rates for many municipalities in the State are published by the Waste Management Division of NH DES. The most recent rates were prepared for the Town of New Boston in 2006. In 2006, New Boston accepted 1,274 tons of municipal solid waste during the year, zero tons of commercial and industrial waste, 232 tons of construction/demolition waste, and 771 tons of recyclables. During 2006, the Town's recycling rate was 38.86 percent and the per capita cost for disposal was $69.51. Based upon the Town's 2006 population of 5,055, New Boston's municipal solid waste per capita is **.252** tons per person per year.

For impact fee calculation purposes, information about the design capacity of the New Boston Transfer Station in tons/day and the annual capacity of the facility based upon the number of days of operation needs to be obtained from the Town in order to determine how much excess capacity the facility has. This information is also needed to determine how much capacity in the facility exists for new development within the community.

As reported in the Town's recently updated Master Plan, the Town disposes of its solid waste at the New Boston Solid Waste Transfer Station and Recycling Center located at 412 Old Coach Road. This facility was built in 1988 and is designed as a collection point for waste to be transferred to an approved disposal site as well as a recycling center for recyclable and reusable items. Hours of operation are Tuesday from 9:00 am to 6:00 pm, Thursday from 9:00 am to 5:00 pm, and Saturday from 8:00 am to 4:00 pm.

According to the Transfer Station Director, the Town's Transfer Station was designed for a capacity of 2,500 residents and it is currently averaging 1,300 households using the facility on a weekly basis. The estimated cost per household for solid waste services according to the Transfer Station Director is approximately $272 per year ($354,000

divided by 1,300 households per week). The Transfer Station Director has estimated that the transfer station can adequately serve 7,000 residents in the future with basic modifications to the facility's hours and days of operation. In addition, if single stream recycling becomes the operational choice for New Boston in the future, the facility will be able to serve the Town at its current size for many years.

Since 1995, the Town has had a waste disposal contract with Wheelabrator Technologies Inc. in Penacook, NH to dispose of its solid waste. The solid waste disposal history of the Town's transfer station over the past three years is as follows:

Transfer Station Disposal History

Year	Waste Disposed	Cost/Ton
2003	1,936 tons	$62.50/ton
2004	1,511 tons	$65.00/ton
2005	1,320 tons	$66.71/ton
2006	1,350 tons	$68.38/ton

Source: New Boston Master Plan

This data indicates that within the last three years, the facility has shown a decrease in solid waste volume as well as a reduction in the cost per ton of disposal. According to the Transfer Station Director, the reduction in municipal solid waste (MSW) is due to an increase in the Town's recycling.

All recycling revenues for the facility come from the Transfer Station's fee structure and the sale of recyclables through brokers and are returned to the Town's General Fund. The Town of New Boston has no formal agreements or contracts for the sale of the Town's recycling waste commodities and currently the Town has not received any grants to help operate the facility.

The basic facilities of the Transfer Station and Recycling Center consist of a metal building with a vertical baler for material compaction and collection areas for cardboard, paper, plastics, and reusable items. The building also contains a skid steer loader. The Station has two transfer trailers for the transport of solid waste, with hauling services hired out. The Station also has collection bins for glass, aluminum, clothing, newspaper, and metal.

The Town built a 2,400 square foot recycling building in 1990 at the Transfer Station, installed a waste oil furnace in 1994, erected a chain-link fence in 1994, installed a water supply and septic system in 1998, and constructed a second brush pit in 1999. In the past five years, the Transfer Station has acquired a new Ram compactor, an efficient set of weigh scales for construction and large-scale debris, and a third baler for plastics. The facility has also developed a new system for the collection and containment of oil as well as a new "recycle by the number" program to simplify the recycling process for the public.

Transfer Station Equipment

Item	Year	Est. Value	Replacement Schedule
Accurate Waste Compactor	2006	$65,000	2031 (every 25 years)
Stecco Transfer Trailer	2002	$75,000	2013 (every 10 years)
J&J Transfer Trailer	2007	$65,000	2022 (every 15 years)
New Holland Skid Steer Loader	1998	$22,000 (used)	2012 (every 15 years)
Forklift (used) – bought '06	1986	$10,000	2011 (every 5 years)
Epco Downstroke Baler	1990	$10,000 (used)	2010 (every 20 years)
Philadelphia Tramrail Downstroke Baler	1990	$10,000 (used)	2009 (every 15 years)
Backhoe	1983	$15,000 (used)	2019 (every 12 years)
Chev. P/U	2000	$10,000 (used)	2008 (just replaced)
Roll Offs (5)		$6,000	as needed

Source: New Boston Master Plan

As reported in the Town's 2008-2013 CIP, currently only one Transfer Station project is identified: Transfer Trailer #1 (scheduled for replacement in 2013 on a 10-yr cycle) at an estimated cost of $75K. The total estimated cost of the Station's capital projects as currently scheduled in the Town's 2008-2013 CIP is $75,000. At the 2007 Town Meeting, the community voted to pass a warrant article to purchase a solid waste trailer at a cost of $65,000. As a result, less these appropriations, the total current vehicle/equipment replacement cost of the Transfer Station is $288,000.

In developing an impact fee for the Transfer Station an LOS standard can be calculated based upon the number of equipment/vehicles of the Department per person. This ratio of **.002** can be calculated as follows. Because residential development creates 100 percent of the demand for Town solid waste services (non-residential development solid waste is picked up by private haulers), the total number of vehicles and equipment of the Transfer Station (10) is multiplied by 100 percent and then divided by the Town's current population of 5,055. This ratio is then multiplied by the average replacement cost of the Transfer Station's vehicle/equipment to obtain a vehicle/equipment cost per person. This results in a cost factor of **$57.60** per person.

Mandatory recycling in New Boston was instituted in 1993 and residents are required to bring in their recyclables and sort them at the Transfer Station or hire one of two private contractors to transport the items. The private haulers, B and A Waste and Capitol Trash Pickup, must either abide by the Town's recycling guidelines or pay disposal fees. The Station also has a compost pit for yard waste and lawn clippings and a new method for brush processing. The Town sponsors an annual Household Hazardous Waste Collection Day where residents can bring domestic hazardous materials such as paint, oil, gasoline, and pesticides, to a collection point where the materials are transferred for proper disposal or recycling.

The most significant problems that the Transfer Station has faced in the past few years include illegal dumping from private haulers and contractors, community acceptance of the Mandatory Recycling Program, the lack of means to provide fair fee assessment, and open burning at the Brush Pit.

According to the Transfer Station Director, the Transfer Station in the short term will be able to accommodate the anticipated population growth of the Town and the ensuing increase in solid waste with few physical adjustments. The facility should be able to meet the Town's needs through 2015, with the addition of a storage building for recyclable items. In the long term, the mandatory recycling program may exceed the facility's capabilities to store and sort recyclables. Additionally the ability to dispose of solid waste at a reasonable cost could become increasingly problematic.

Other pending issues with the facility could include stormwater management prevention compliance as the Town is currently waiting for a determination from the EPA and NH DES as to what these requirements might be.

In addition, the Town is considering entering into an agreement with Corcoran Environmental Services, Inc., to utilize a proposed new single stream recycling facility to be constructed in Manchester in 2008. It is anticipated that when this new recycling center comes on line it will substantially reduce the cost and need for separating recyclables at the New Boston facility. While the actual costs to surrounding municipalities will vary depending upon their solid waste costs and facility infrastructure, single stream will increase the number of items recycled and make recycling easier for all Town residents. According to the Transfer Station Director, New Boston's current disposal fees are $73 per ton with 8 items recycled.

There are currently 2 full-time employees that work 40 hours per week at the facility and 5 part-time employees that work a total of 58 hours per week. The facility is open 25 hours per week to the general public.

Based on New Boston's 2006 population of 5,055 the total number of full time personnel at the Transfer Facility is equivalent to **0.79** staff per thousand population, while the total number of Department personnel (both full and part-time) is **1.78** staff per thousand population.

Transfer Station	Total Staff	Staff Per 1,000 Population (2006)
Full-Time	4	0.79
Part-Time	5	0.99
Total Employees	9	1.78

While there are very few national, state or regional solid waste facility staffing standards available, it has been reported in 1997 that towns in New Hampshire generally averaged

0.22 full time and 0.32 FTE solid waste personnel per thousand population.[15] Given the availability of these statistics, the Town's solid waste *personnel-to-population ratios* could be used as an LOS standard and as a service base for impact fee calculation purposes. However, caution should be applied in the use of these ratios as a performance measure or benchmark when comparing New Boston with other similar sized municipalities in the state. Most recommended performance measures for solid waste collection emphasize the amount of waste collected, the efficiency with which is it collected (e.g. unit costs), collection reliability, community cleanliness, and citizen satisfaction.

For the purpose of this fiscal impact analysis and the development of a future impact fee, it suggested that the LOS standards applied to the Transfer Station be expressed in terms of:

Demand: Pounds per day per capita (residential) and pounds per day per employee or per square foot (nonresidential).

Service Standard: Operate under state environmental standards to provide for disposal of municipal solid waste; personnel-to-population ratios.

Facility Standard: Tons-per-day capacity at Transfer Station.

Recommendations:

1. Until the exact design capacity of the Town's Transfer Station facility is known as expressed in tons-per-day capacity, an LOS standard cannot be established for the Department. While the Solid Waste Director has confirmed that there is sufficient capacity at the facility (designed for 2,500 residents and can serve 7,000 residents in the future) for both the Town's fiscal impact model and for impact fee calculation purposes, an LOS capacity standard based upon tons-per-day must be established. If it is confirmed that the Transfer Station has adequate capacity in tons-per-day to address future growth within the community, a facility component to a Transfer Station Impact Fee would not be necessary.

2. Utilize the Transfer Station's *operating cost per capita* in FY 2006 of **$64.74** per person as an LOS standard in the Town's Fiscal Impact Model. This ratio can be easily calculated on an annual basis by dividing the Transfer Station's total annual expenditures by the current population of New Boston. It provides a year to year benchmark that can be used to determine what the Transfer Station's operating costs might be in the future provided the Town is providing the same LOS, staff size, equipment, etc. as the year before. This ratio also takes into account the increased costs to the Transfer Station and the Town for providing the same LOS in the future.

[15] Impact Fee Development for New Hampshire Communities, Southern New Hampshire Planning Commission, July 1999, page 30.

3. Utilize the Transfer Station's *personnel-to-population ratio* in FY 2006 of **0.79** full-time staff per thousand population, and **1.78** full and part-time staff per thousand population as an LOS in the Town's Fiscal Impact Model. This ratio can be easily calculated on an annual basis and it provides a year to year benchmark and service-related standard.

4. Consider employing an LOS for the Transfer Station's equipment and vehicles in FY 2006 as expressed by a vehicles/equipment per person ratio of **.002** multiplied by the average vehicle/equipment replacement cost of the Station to obtain a cost per person of **$57.60**. This LOS can be easily calculated and used in the Town's Fiscal Impact Model as well as a vehicles/equipment component of a future Transfer Station Impact Fee.

5. If the Town finds that the Transfer Station capacity in tons-per-day is adequate to address the future growth of the community then a facilities component of a future Transfer Station Impact Fee would not be necessary, except perhaps to address the need to construct a Pole Barn at the facility. A legal opinion should be obtained to verify that the Town could proceed with a vehicles/equipment component of a future Transfer Station Impact Fee independent of the facilities component.

Highway

The New Boston Highway Department is fueled primarily through local property taxes and state-aid block grants. The Highway Department's total expenditures over the past seven fiscal years (2000 through 2006) is provided in the following table (excluding monies expended under the Highway Block Grant). The Department has six major cost centers: administration, vehicle supplies/maintenance, building expenses, paving/construction, summer and winter maintenance.

These expenses clearly demonstrate that the largest costs associated with the operation of the Highway Department are administrative and salary followed by paving/construction expenses and winter maintenance. Between 2000 and 2006, the Department's total expenditures increased $246,566 or roughly 50 percent. This represents on an annualized basis an average cost increase of 7 percent per year.

Over roughly the same time period, the Town of New Boston's total population grew 22 percent or 917 people from 4,138 in 2000 to 5,055 in 2006. This population increase represents an annualized rate of growth of 3 percent per year. At the current rate of spending and population growth, the Highway Department's *operating cost per capita* in FY 2006 was **$145.71** per person. In FY 2000, the Department's *operating cost per capita* was **$118.42** per person.

Total Highway Department Expenditures, 2000 through 2006

FY	2000	2001	2002	2003	2004	2005	2006
Admin	$199,805.65	$216,972.72	$230,141.37	$237,044.16	$221,392.41	$257,639.83	$268,003.96
Vehicle Supplies/ Maintenance	$23,433.73	$30,295.77	$35,906.38	$34,408.66	$35,513.41	$36,383.28	$44,029.49
Building Expenses	$7,878.72	$9,116.89	$5,443.16	$8,123.70	$9,537.85	$7,521.67	$8,705.26
Paving/ Construction	$98,975.62	$81,092.89	$101,575.85	$126,587.15	$144,142.18	$165,435.07	$210,665.77
Summer Maintenance	$64,780.11	$73,470.47	$77,510.09	$44,856.39	$81,474.88	$73,529.72	$85,848.36
Winter Maintenence	$95,128.98	$167,248.58	$120,572.25	$141,611.55	$107,466.24	$166,262.72	$119,316.80
Total	$490,002.81	$578,197.32	$571,149.10	$592,631.61	$599,526.97	$706,772.29	$736,569.64

Source: Town of New Boston, Actual and Budgeted Expenses and Encumbrance Report

The ratio of total operating cost per capita can be employed as an LOS standard of the Department. Because there has been no major decline in the Highway Department's total annual expenditures since 2000, the Department's future operating costs can be projected by extrapolating these historic rates of expenditures forward. Other useful LOS standards can be developed as the facility capacity, vehicle/equipment and staffing needs of the Department are considered as well as the need for roadway capacity improvements resulting from new growth.

Road and bridge maintenance, including snow removal, are the major responsibilities of the Highway Department. The Highway Department currently occupies a one-story, wood-frame building located on Old Coach Road that was built in 1980. The Department also utilizes a salt and sand shed and a three-sided metal storage garage located on the same site. The one-story wood-frame building is 2,700 square feet in size and the accessory metal storage garage is 4,000 square feet resulting in a total Highway Department office, shop and storage facility space of 6,700 square feet.

The Highway Department also shares fuel tanks with vehicles from the Police Department, the Fire Department, the Transfer Station, and the Recreation Department. Two new tanks, replaced in 1999, are underground, double-walled, composite tanks with leak detection systems with guaranteed usage until 2029. There is a 4,000 gallon diesel tank and a 1,000 gallon gasoline tank.

The Highway Department obtains winter sand from the town forestry land located off Cochran Hill Road near the Friendly Beaver Campground, with enough supply to last another three to five years. The Department purchases gravel from the Tingley pit in New Boston.

The Highway Department maintains all Class V roads in New Boston and removes snow from the school and town related parking lots, i.e. Town Hall, Fire Department, and Police Station. The Highway Department does not maintain the cemeteries or any recreation grounds.

According to the Road Agent who heads up the Highway Department, the Department is currently in good shape as a result of the addition of a new employee a few years ago to bring the Department up to a 6-man crew. Also the purchase of a new backhoe has allowed the Department to be more efficient instead of having to rent this piece of equipment as in the past.

However, the Town's existing salt shed is at capacity and needs to be replaced. Also the garage and some of the storage buildings at the Highway Department need to be improved to provide additional space to secure equipment currently stored outside.

As the Town has grown in population, the Highway Department has had to increase improvements to roads, such as culvert cleaning and replacement, brush cutting, road raking and regrading, pothole repair, and increased drainage work as a result of flooding and increased stormwater runoff from hillside clearing for new housing development.

In addition, the Road Agent has expressed concern that future housing developments in New Boston may require the Department to expand the Town's existing plow routes by adding one or two more new routes generating the need for hiring more part-time personnel or contracting out for this service.

The Highway Department's plans for the near future are to catch up on pavement overlays for paved roads as well as reclamation projects in order to get all of the town's roads on schedule for repaving every 10-12 years. Following those improvements, the Department will bring some gravel roads to pavement status.

Road maintenance projects in the near future include improving the outer end of Bedford Road to Chestnut Hill Road. Over the next ten years, the Highway Department will be replacing the Lyndeborough Road bridge and the Gregg Mill Road bridge, the last two major bridges that need to be replaced in New Boston. Eventually, the bridge on Hilldale Lane and a large culvert on Tucker Mill Road will also need to be replaced.

There are two line items in the Town's existing 2006-2011 CIP for road improvements: Bedford Road Repairs in 2006 estimated at $75,000 and other road projects to be determined estimated at $85,000 in years 2007 through 2011. In addition, there are two bridge repair projects: Lyndeborough Road Bridge in 2009 estimated at a total of $500,000 and Gregg Mill Road Bridge in 2012 estimated at a total cost of $845,000 with a Town share of $148,000.

At the 2007 Town Meeting, the community passed a number of road improvement warrant articles including $75,000 for Bedford Road, $40,000 for the Gregg Mill Road Bridge, and $20,000 for the Lyndeborough Road Bridge.

Currently, the Highway Department employs six full-time employees, with five additional subcontractors for snow removal. Based on New Boston's 2006 population of 5,055 the total number of full time personnel in the Highway Department is equivalent to **1.19** staff per thousand population, while the total number of Department personnel (both full and part-time) is **1.39** staff per thousand population.

Transfer Station	Total Staff	Staff Per 1,000 Population (2006)
Full-Time	6	1.19
Part-Time	1 (clerical)	0.20
Total Employees	7	1.39

While there are very few national, state or regional Highway Department staffing standards available, it has been reported in 1997 that towns in New Hampshire generally averaged 1.17 full time and 1.28 FTE street and highway personnel per thousand population.[16] Given the availability of these staffing statistics, the Highway Department *personnel-to-population ratios* could be used as an LOS standard of the Department and as a service base for the Town's fiscal impact model. However, caution should be applied in the use of these ratios as a performance measure or benchmark in comparing New Boston with other similar sized municipalities in the state.

Most of the recommended service or performance measures for Highway Departments focus on pavement condition (utilizing such methods as the *present serviceability rating – PSR score* established by the American Association of State Highway and Transportation Officials (AASHTO)), production ratios of staff in street maintenance operations, including asphalt repair, repaving, concrete pavement repair, curb repair and sidewalk repair, and indicators of citizen satisfaction.

Basically the overall demand or need for Highway Department and road maintenance services within New Boston is due to residential and nonresidential development. For impact fee calculation purposes, a proportionate share analysis must be conducted to distinguish what percentage residential and nonresidential development creates of the demand for the Highway Department's services. This can be done according to the amount of time that the Town's population is at home during the day versus the time at work utilizing the commuting patterns, household population, the total number of residents living and working in the community and the total number of New Boston residents working outside of the community. Utilizing the percentage of residential and nonresidential demand, the Town's current population and the total number of

[16] Impact Fee Development for New Hampshire Communities, Southern New Hampshire Planning Commission, July 1999, page 30.

nonresidential vehicle trips, an LOS for the Highway Department facilities can then be calculated as a ratio of *square feet per person for residential development* and a ratio of *square feet per nonresidential vehicle trip*.

Currently, the only Highway Department facility scheduled to be replaced according to the Town's CIP is the salt shed. Because a 100 ft. by 40 ft. salt shed is included in the Town's CIP 2006-2011 (estimated at a cost of $75,000 and scheduled for the year 2011), a facilities component of a Highway Department Impact Fee could be calculated to address this facility. In addition to a new salt shed, the Road Agent has identified the following deficiencies and needs for improving the Highway Department's existing 2,920 square foot (2,400 sq.ft. – 1st level and 520 sq.ft. – 2nd level) main building and outside storage shed which is severely constrained by lack of space. According to the Road Agent, the outside storage shed needs four garage doors and the main building needs a new Mechanics bay (estimated at approximately 1,280 sq. ft.) and an 800 sq. ft. addition providing a larger office, shower, restroom and lunch space. These proposed improvements/additions would need to be added to the Town's CIP before these costs can be included in the facilities component of the impact fee calculation.

The Highway Department owns and operates a variety of equipment for road maintenance and snow removal, and it also hires additional equipment to handle winter storms on a seasonal basis. As reported in the Town's recently updated Master Plan, a summary of the Highway Department's equipment is provided as follows.

Highway Department Equipment

Vehicle	Year	Description of Features
John Deere 672CH Grader	1998	
John Deere 624J Loader	2005	
John Deere Backhoe	2006	
Ford F-550 Truck (1 Ton)	2001	Plow with wing, sander, dump body, front mount rake
International 4900 Dump Truck	1997	With plow, wing and sander
International 4900 Dump Truck (Back up)	1994	With plow, wing and sander
Mack Dump Truck	2002	With plow, wing and sander
Mack Dump Truck	2005	With plow, wing and sander
International Tank Truck	1969	For cleaning culverts
Elgin Pelican Street Sweeper	1978	
Chevy 4x4	1998	Pick-up truck
Chevy 4x4	1996	Pick-up truck
Tow Behind Road Rake		Raking dirt roads
Tow Behind Street Sweeper		
Morbark Chipper		

Source: Town of New Boston

As reported in the Town's 2008-2013 CIP, a total of three capital projects are identified to be partially funded through two ongoing Highway Department capital reserve funds (CRF): the highway truck annual CRF (15-yr cycle) consisting of a total of $310,000 spread out between 2008 and 2013 ($55K in years 2008 and 2009, and $50K in years 2010, 2011, 2012), and a heavy equipment CRF consisting of a total of $330,000 spread out in annual appropriations of $55,000 between 2008 and 2013. Utilizing the highway truck annual CRF, the Department's 1997 International Dump Truck (6 wheel) is scheduled for replacement in the year 2009 (10-yr. cycle) with a new Mack Dump Truck (10 wheel) at an estimated cost of $205K. Utilizing the heavy equipment CRF, the Department's 1998 Grader is scheduled for replacement in 2010 (12-yr cycle) at an estimated cost of $225K. The total estimated cost of these capital projects as scheduled in the Town's 2008-2013 CIP is roughly $391,000.

At the 2007 Town Meeting, the community voted to pass a warrant article for $30K to partially fund a 1-ton truck for the Highway Department to be purchased in 2008, including the use of approximately $65,000 in accrued CRF. With these appropriations, the Highway Department's total current vehicle/equipment replacement cost as approved at Town Meeting and as scheduled in the Town's CIP is $486,000. The salt shed scheduled for construction in 2010 at an estimated cost of $75,000 is a separate capital facility in the Town's 2008-2013 CIP.

In developing an impact fee for the Highway Department, an LOS standard for equipment and vehicles can be calculated based upon a ratio of *equipment/vehicles per person* for residential development and a ratio of *equipment/vehicles per trip* for nonresidential development.

To calculate this LOS for impact fee purposes, the same proportionate share analysis must be made similar to the facility LOS component of the impact fee. While the same percentages of residential and nonresidential demand would apply, the residential LOS percentage would be calculated by multiplying the total number of vehicles/equipment scheduled for replacement in the Highway Department portion of the Town's CIP (4) by the percentage of residential demand divided by the Town's current population (5,055) resulting in an LOS for residential development of *vehicles/equipment per person*. This calculation is repeated for nonresidential development, except the number of replacement vehicles/equipment (4) would be multiplied by the percentage of nonresidential demand divided by the total number of nonresidential vehicle trips. The resulting LOS can then be multiplied by the total replacement cost of the vehicles/equipment to obtain a cost per person and a cost per trip.

In addition to the calculation of a Highway Department impact fee, the Town of New Boston can assess a Transportation Impact Fee to address the need for roadway capacity improvements due to growth. The typical demand unit measures applied to determine the need for highway facility improvements are trip generation rates by land use and PM peak hour trip ends.

There are typically two methodologies that can be used to calculate this fee. There is the plan-based capital cost approach which is outlined by a number of steps in the Southern New Hampshire Planning Commission's Impact Fee Development Guide.[17] This approach is based upon the identification of specific capital projects benefiting existing and new development. Then there is also the incremental expansion approach which reflects new vehicle purchases and expansion of existing transportation-related facilities to accommodate new growth. Both approaches use trip generation rates by type of development multiplied by the total capital cost per unit of trip capacity to yield the impact fees.

In addition to the impact fee methodologies, it is possible in simple terms to take the Highway Department's total annual operating expenditures of $736,569.64 (FY 2006) and divide this by the Town's total amount of road mileage 88.42 (see attached table) to obtain an *overall road maintenance cost per mile* of **$8,332.0.** This cost can then be employed in the Town's Fiscal Impact Model to obtain a projected road maintenance cost per mile for each new road added to the Town.

Also, it is possible to estimate what the future maintenance and operating costs would be to the Town to expand the Highway Department's existing Plow Routes (see attached map). This can be accomplished by determining an LOS of the Department's existing plow routes and then expanding this LOS by future additions to each plow route.

Currently, the Department has a total of 11 routes which are maintained by a separate operator. According to the Town Administrator each route is designed to take approximately two and half hours to plow. When an operator is done with their route, they radio others to see if someone could use assistance. Thus, the total mileage of each of the existing plow routes varies, however, the total route mileage has been estimated by the Town to be 472,986 feet or 89.50 miles. This mileage is more than the Town's total road length of 88.42 miles because the plow routes also include various Town facilities and parking lots in addition to Town roads.

The Town's current winter operation expenditures (FY 2006) of $119,316.80 can be divided by 89.50 miles to result in a Plow Route LOS ratio of **$1,333.15** per mile or by 472,560 feet to result in a Plow Route LOS ratio of **$0.25** per foot. The cost of future additions or expansions to this LOS can then be easily calculated by the Town.

In addition to this overall LOS, individual ratios can be obtained for each of the Department's eleven plow routes by multiplying the overall FY 2006 Plow Route LOS ratio of $0.25 per foot by the total road length of each plow route. This is shown as follows:

Dan's Route	41,822 feet	$10,455.50 per ft.
Terry's Route	78,992 feet	$19,748.00 per ft.

[17] See Impact Fee Development for New Hampshire Communities, Southern New Hampshire Planning Commission, July 1999, pages 51 through 58.

Ron's Route	50,424 feet	$12,606.00 per ft.
Charlie's Route	46,815 feet	$11,703.75 per ft.
Randy's Route	81,909 feet	$20,477.25 per ft.
Doug's Route	46,288 feet	$11,572.00 per ft.
Bo's Route	24,170 feet	$ 6,042.50 per ft.
Jeff's Route	23,428 feet	$ 5,857.00 per ft.
Bob's Route	11,508 feet	$ 2,877.00 per ft.
Rusty's Route	42,369 feet	$10,592.25 per ft.
John's Route	25,261 feet	$ 6,315.25 per ft.
Totals	472,986 feet	$118,246.50 per ft.

The totals above do not match the overall totals because Lull Road is listed twice in the individual plow route data and some of the individual plow route data includes Town owned facilities and parking lots.

Recommendations:

1. Utilize the Highway Department's *operating cost per capita* in FY 2006 of **$145.71** per person as an LOS in the Town's Fiscal Impact Model. This ratio can be easily calculated on an annual basis by dividing the Highway Department's total annual expenditures by the current population of New Boston. It provides a year to year benchmark that can be used to determine what the Department's operating costs might be in the future provided the Town is providing the same LOS, staff size, equipment, etc. as the year before. This ratio also takes into account the increased costs to the Department and the Town for providing the same LOS in the future.

2. Also utilize the Highway Department's *personnel-to-population ratio* of **1.19** full time staff and **1.39** full and part-time staff per thousand population in the Town's Fiscal Impact Model. This ratio can be easily calculated on an annual basis and it provides a year to year benchmark and service-related standard.

3. Utilize a ratio of *square feet per person* for residential development and a ratio of *square feet per nonresidential vehicle trip* as the LOS standard for the Department's facilities in calculating a future Highway Department impact fee. Presently an impact fee for Highway Department facilities could only be established for the proposed new salt shed as that is the only capital project included in the Town's CIP. However, as the Town's CIP is amended in the future, this impact fee could be updated to address the Highway Department's main building and garage facilities when proposed additions to these buildings are included in the Town's CIP. The Road Agent has provided adequate justification that these facilities are currently constrained and need to be improved.

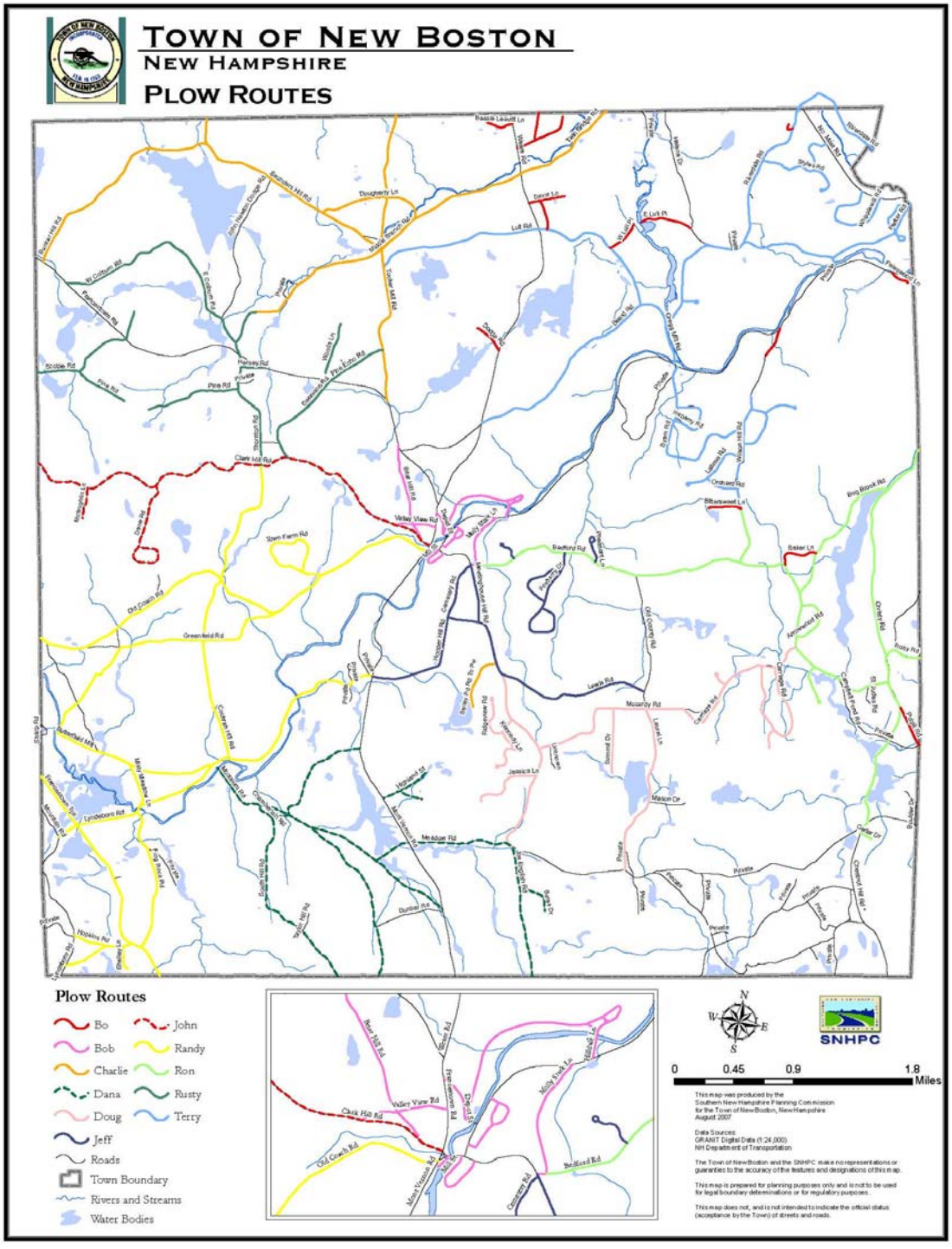
4. Utilize the *vehicles/equipment per person* ratio for residential development and a *vehicles/equipment per nonresidential trip* as the LOS in calculating a vehicles/equipment component of a future Highway Department Impact Fee.

5. Consider developing a Transportation Impact Fee to address the need for future roadway capacity improvements due to new growth.

6. Utilize the *overall road maintenance cost per mile* LOS in FY 2006 of **$8,332** to obtain projected road maintenance cost per mile for new roads added to the Town. This LOS can be easily calculated on annual basis and used within the Town's Fiscal Impact Model.

7. Utilize the *plow route per mile/foot cost* in FY 2006 of **$1,333.15** per mile or **$0.25** per foot as an LOS of the Department. This LOS can be easily calculated on an annual basis and used within the Town's Fiscal Impact Model.

8. Expand the above plow route per foot/cost in FY 2006 to apply to each plow route.


TOWN OF NEW BOSTON
NEW HAMPSHIRE
PLOW ROUTES
Plow Routes
Bo
Bob
Charlie
Dana
Doug
Jeff
John
Randy
Ron
Rusty
Terry
Roads
Town Boundary
Rivers and Streams
Water Bodies
N
W
E
S
SNHPC
0 0.45 0.9 1.8
Miles
This map was produced by the Southern New Hampshire Planning Commission for the Town of New Boston, New Hampshire August 2007
Data Sources:
GRANIT Digital Data (1:24,000)
NH Department of Transportation
The Town of New Boston and the SNHPC make no representations or guaranties to the accuracy of the features and designations of this map.
This map is prepared for planning purposes only and is not to be used for legal boundary determinations or for regulatory purposes.
This map does not, and is not intended to indicate the official status (acceptance by the Town) of streets and roads.

New Boston Street Data		
	Street Length (Miles)	
Street Name	Paved	Gravel/Dirt
2nd NH Turnpike	1.843	
Arrowwood Road	0.443	
Bailey Pond Road		0.335
Baker Lane		0.114
Barss Drive	0.302	
Beard Road		1.58
Bedford Road	5.189	
Bessie Leavitt Lane	0.183	
Bittersweet Lane		0.298
Bog Brook Road	0.386	
Bog Brook Road	1.129	
Bradford Lane		0.231
Briar Hill Road		0.476
Briar Hill Road	0.291	
Bunker Hill Road	1.114	
Bunker Hill Road		0.581
Burnham Drive	0.059	
Butterfield Mill Rd.		2.212
Byam Road	1.408	
Carriage Road	1.195	
Cedar Drive	0.100	
Cemetary Road	0.450	
Chamberlain Road		0.156
Christie Road	0.210	
Christie Road		1.31
Clark Hill Road	2.676	
Clark Hill Road		0.868
Cochran Hill Road	0.239	
Cochran Hill Road		0.674
Colburn Road	0.449	
Colburn Road		1.493
Cross Road		0.222
Dane Road	0.993	
Davis Lane		0.268
Daylily Lane - N/A		
Dennison Road		0.766
Depot Street	0.214	
Dodge Road	0.255	
Dougherty Lane		0.817
East Lull Place		0.208
Fales Lane		0.170
First Settlement LN	0.130	
Foxberry Drive	0.501	
Foxberry Drive (New)	0.572	
Fraser Drive	0.184	

Frog Rock Road		0.110
Greenfield Road	0.728	
Gregg Mill Road	0.593	
Helena Drive		0.154
Helena Drive		0.061
Hemlock Drive	0.331	
Hersey Road		0.189
Highland Drive	0.271	
Hilldale Lane	0.104	
Hooper Hill Lane	0.893	
Hopkins Road	0.448	
Houghton Lane	0.189	
Howard Lane	0.216	
Howe Bridge	0.072	
Hutchinson Lane	0.250	
Indian Falls Road	0.301	
Inkberry Road	0.523	
Jessica Lane	0.540	
Joe English Road	1.924	
Joe English Road		1.038
Kennedy Lane	0.412	
Kettle Lane	0.100	
Labree Road	0.663	
Laurel Lane		0.905
Lewis Road		0.109
Lincoln Road	0.485	
Lull Road	1.551	
Lyndeborough Road	2.765	
Lyndeborough Road		1.033
Maple Street	0.064	
McCollum Road	0.368	
McCollum Road		1.473
McCurdy Road	2.332	
Mclaughlin Lane		0.248
Meadow Road	0.763	
Meadow Road		1.00
Meetinghouse Hill Road	0.747	
North Middle Branch Road		1.42
Middle Branch Road		1.23
Mill Street	0.258	
Misty Meadow Lane	0.102	0.227
Molly Stark Lane	0.428	
Moss Drive	0.177	
Mountain Road		0.243
Old Coach	3.437	
Orchard Road	0.167	
Parker Road	1.542	
Pearson Lane	0.277	

Pheasant Lane	0.266	
Pine Echo Road		0.458
Pine Road		0.734
Popple Road	0.435	
Pulpit Road		0.055
Ridgeview Lane	0.490	
Riverdale Road (across at 114)	0.215	
Riverdale Road		2.810
Riverdale Road	0.200	
Riverside Drive	0.295	
Roby Road	0.288	
Rustic Lane	0.219	
Salisbury Road		0.332
Saunders Hill Road		1.743
Scobie Road	0.462	
Scobie Road		0.311
Sharp Road		0.148
Shedd Road		0.083
Shelly Lane	0.197	
Simons Farm Road	0.080	
South Hill Road	0.867	1.114
Styles Road	0.672	
Summit Drive	0.491	
Susan Road	0.282	
Swanson Road	0.289	
Thornton Road	0.238	0.662
Town Farm Road	1.007	
Tucker Mill Road	1.255	
Tucker Mill Road		0.988
Twin Bridge Road	0.802	
Valley View Road	0.182	
Valley View Road		0.162
Warren Drive	0.138	
West Lull Place		0.293
Whipplewill Road	0.809	
Wilson Hill Road	1.021	
Wilson Hill Road (NEW)	0.193	
Wilson Hill Road		0.217
Woodbury Road	0.442	
Woods Lane		0.539
Total	55.82	32.60

Recreation

The New Boston Recreation Department is funded primarily through local property taxes, grants and fees. The Recreation Department's total expenditures over the past seven fiscal years (2000 through 2006) is provided below.

Total Recreation Expenditures, 2000 through 2006

FY	2000	2001	2002	2003	2004	2005	2006
Recreation	$97,698.03	$105,856.40	$150,959.93	$63,031.60	$60,323.83	$66,050.25	$68,832.48

Source: Town of New Boston, Actual and Budgeted Expenses and Encumbrance Report

According to the Recreation Director, the largest operating costs of the Department are administrative and salary followed by building expenses. Between 2000 and 2006, the Department's total expenditures decreased by $28,865.55 or 42 percent. This represents on an annualized basis an average cost decrease of 6 percent per year. However, during 2001 and 2002, the Recreation Department's total expenditures exceeded $105,856, reaching a high of $150,959.93 in 2002. Since 2002, a significant portion of the Recreation Department's budget expenditures have been funded through a revolving fund supported by recreation program fees as opposed to tax monies. As a result, the Department's total expenditures have significantly decreased since 2003.

Over roughly the same time period (2000 and 2006), the Town of New Boston's total population grew 22 percent or 830 people from 4,138 in 2000 to 5,055 in 2006. This population increase represents an annualized rate of growth of 3 percent per year. At the current rate of spending and population growth, the Recreation Department's *operating cost per capita* in FY 2006 was **$13.62** per person. In FY 2000, the Department's *operating cost per capita* was **$23.61** per person.

The *ratio of total operating cost per capita* can be employed as an LOS standard of the Department. While there has been a major decrease in the Recreation Department's total annual expenditures since 2002, the Department's future operating costs can be projected by extrapolating historic rates forward from this date.

At the present time, the Recreation Department consists of only one full-time employee in charge of program development, fiscal management, staff, facilities, and special events and one part-time assistant. There are also seven part-time employees which include seasonal directors and counselors of after school and summer programs. In addition, the Recreation Department utilizes a number of volunteers.

Based on New Boston's 2000 population of 4,138, the total number of full time personnel within the Recreation Department is equivalent to **0.24** staff per thousand population, while the total number of Department personnel (both full and part time) is **0.44** staff per thousand population.

Recreation Department	Personnel	Staff Per 1,000 Population (2000 Census)
Full-Time	1	0.24
Part-Time	1	0.24
Total Employees	2	0.44

Between 2000 and 2003, the ratio of the Department's full time personnel per thousand population dropped from **0.24** in 2000 to **0.20** in 2005 and 2006 (New Boston's 2005 population was 4,968 and the most current 2006 population estimate of the Town is 5,055).

It is anticipated that New Boston's Recreation Department's *personnel-to-population ratio* will continue to decline as the Town's population grows. This will be especially true provided no new full or part-time positions are added to the Department's staff. Despite this fact, this ratio can be used as an LOS standard and as a service base for impact fee calculation purposes. However, this LOS is generally not a good indicator of the need for recreational facilities and services within the community and as such it serves as a weak fiscal impact indicator.

There are other LOS service standards that can be considered in addition to the *personnel-to-population ratio*. These indicators may apply to the actual number of staff/volunteer hours worked each year as well as the quantity and number or acreage of recreation facilities needed within the town at different population thresholds.

The Recreation Department's average weekly and annual staff/volunteer hours between 2003 and 2007 is reported in the following table. This data indicates that since 2003, the Department's total annual number of staff and after school hours has been steady at 3,165 hours per year. However, this data also shows that the total number of seasonal hours in the Department's summer programs has decreased by 31 percent since 2003. However, between 2006 and 2007, the Department's total number of seasonal hours has stayed fairly constant at 232 hours per year.

Considering the Town's estimated 2006 population, the Recreation Department's *total annual number of hours worked per capita* in 2006 was **625.49** hours per thousand population and the *total seasonal number of hours worked per capita* in 2006 was **45.85** hours per thousand population. Because the Recreation Department's total annual number of hours worked has been constant since 2003, this ratio could be used as an LOS measure of the Department's existing and future work demands. However, because the total seasonal number of hours worked within the Department has been decreasing since 2003, this portion of the ratio may not be an ideal LOS standard. The total number of seasonal hours in any one given year is heavily dependent upon the rate of participation and types of summer programs offered by the Department.

Average Weekly and Annual Staff/Volunteer Hours within the Recreation Department from 2003 through 2007 (Average per week/ 52 weeks per year)					
Position	**2003**	**2004**	**2005**	**2006**	**2007**
Director (FT)	40	40	40	40	40
Assistant (PT)	20	25	30	30	30
Annual Hours	3,120	3,120	3,120	3,120	3,120
Summer Dir. (seasonal)	40	40	40	40	40
Summer Asst. (seasonal)	40	40	40	0	0
Summer Head Counselor	0	0	0	40	0
Summer Counselors	256	256	210	152	192
Seasonal Hours	336	336	290	232	232
After School Dir. (PT)	22.5	22.5	22.5	22.5	21.25
After School Asst. (PT)	22.5	22.5	22.5	22.5	20
After School Counselors	$32,524	$33,049	$32,622	$24,299	$10,171
Rate/Hr	$27.80	$28.25	$27.88	$20.77	$8.69
After School Hours	45	45	45	45	41.25
Total Seasonal Hours	336	336	290	232	232
Total Annual Hours	3,165	3,165	3,165	3,165	3,165

Source: Recreation Department

In order to calculate a Recreation Impact Fee for the Town it would be necessary to distinguish between the existing recreation needs of New Boston's current population, and growth related recreation needs in the town in the future. A good LOS indicator to accomplish this would be the quantity or acreage of recreation facilities required at different population thresholds. In determining an appropriate number of recreation facilities per 1,000 persons, and applying that standard forward, the total number as well as the acreage of all the town-owned recreation facilities existing today in New Boston today must first be documented. In addition, appropriate local facility standards must be developed.

There are several sources of reference standards to estimate current and future recreation facility needs within a given municipality. These include:

1) New Hampshire Outdoors 1994-1999, a periodic publication of the Office of State Planning in its State Comprehensive Outdoor Recreation Plan (SCORP), which sets forth goals for desirable ratios of facilities per thousand population;

2) Guide to Municipal Recreation (1995) published by the NH Office of State Planning;
3) Park, Recreation, Open Space and Greenway Guidelines (1995), published by the National Recreation and Park Association (NRPA);
4) Recreation, Park and Open Space Standards and Guidelines (1983) published by the National Recreation and Park Association (NRPA).

As with many published standards, however, such data should be used cautiously particularly as applied to New Hampshire communities where the indicated "needs" often far exceed the quantity of facilities actually provided. Therefore, local judgment is essential in interpreting or applying any ratio standard for recreation facilities.

The most recent national handbook on recreation program and facility development is Park, Recreation, Open Space and Greenway Guidelines, published by the NRPA in December 1995. In this edition, the handbook encourages local judgment in applying any published standards, including those contained in its own 1983 publication. In the 1995 NRPA handbook, the use of rigid national standards is discouraged in favor of a community needs assessment approach.

As identified in the Town's updated Master Plan, there are currently an array of buildings and ball fields dedicated to recreation spread out on Old Coach Road near the Transfer Station and behind the Town Hall, including the New Boston Playground, the Daniels Memorial Tennis Court, the Hillsborough County 4-H Youth Center, and the use of the gym at the New Boston Central School.

There is also a 3.75 acre site owned by the New Boston Playground Association, a non-profit organization which contains a ball field, tennis court and playground in the Town Center. The Town of New Boston owns part of the tennis court. The New Boston Playground Association, founded in 1921, is dedicated to the health and welfare of the children of New Boston. The Association acquired the land for the playground and ball field as well as the Depot Building where it held its meetings for many years. The Association has sponsored a variety of recreation programs and events, purchased equipment for the recreation facilities it owns, and maintains its buildings and grounds.

In addition, many of the Recreation Department's programs are currently housed in the "white buildings", located between the Central School and the New Boston Town Hall and a skateboard park was built in July 2005 adjacent to the white buildings on school property. According to the Recreation Director, the white buildings and the school gym are currently overcrowded, and the Old Coach fields are difficult to maintain due to lack of irrigation.

An inventory of all the existing recreation facilities in New Boston is provided in the following table. The quantity of all the various recreation facilities is also expressed as current averages per 1,000 population within the town. The Recreation Director and the Recreation Commission have agreed to review these averages to determine if they represent a desirable level of service, a substandard level of service, or provide "excess

capacity" for future growth. The community may find that certain facilities, such as the gym, are already overburdened, while other facilities, such as the tennis courts, are under-utilized. Using these observations, community survey data, or other information, the Recreation Director and Recreation Commission should then create an appropriate schedule of local facility standards, using local judgment to adjust the use of published service standards to local needs. These standards may then be utilized to estimate facility needs on a per-capita basis.

To assist the Recreation Director and Recreation Commission in creating local facility standards for New Boston, the facility standards provided in the New Hampshire Outdoors 1994-1999, State Comprehensive Outdoor Recreation Plan, NH Office of State Planning, July 1994 (Table 6) should be used as a reference point. These standards are expressed in the table below. In addition, the Recreation Commission should also consider a review of the Town's various recreation programs that have had the highest rates of long-term growth among the various sponsored sports and consider the current average number of facilities per 1,000 population in New Boston.

Existing New Boston Recreation Facilities

Selected Recreation Facilities	Total Number of Facilities*	NH OEP (SCORP) Facility Standard Per 1,000 Population	Existing Average Number of Facilities Per 1,000 Population**	New Boston's Facility Standards per 1,000 Population (Desired)	Total Acreage of Existing Facilities	Number of Facilities Town Ownership Only
Baseball Diamonds	4	1.10	0.79	1.25	8	3
Soccer Fields	2	0.16	0.40	.40	Same as above	1
Football Fields	N/A	0.10	N/A	N/A	N/A	N/A
Basketball/Hard Courts	0	0.80	0	N/A	N/A	0
Tennis Courts	1	0.95	0.20	.60	N/A	1/2
Gymnasiums	1	0.25	0.20	.30	N/A	0
Swimming Beach	0	0.50	0	N/A	N/A	0
Swimming Pools	0	0.14	0	N/A	N/A	0
Ice Skating Areas	0	0.14	0	N/A	N/A	0
Skateboard Park	1	N/A	0.20	.20	0.04	1
Playgrounds (number)	2	0.50	0.40	.50	N/A	1
Playgrounds (acres)	3.75 acres	2.00	0.74	2.00	3.75	0
Parks, Community (acres)	0	6.00	0	N/A	0	0
Picnic Tables	2	8.00	0.40	8.00	N/A	2
Trails, Hiking (miles)	9.25 miles	2.20	1.83	2.20	N/A	6

**Facilities shared between Town and New Boston Playground Association
*Based on 2006 Population

As shown in the table above, the current total land area available for active recreation facilities in New Boston is approximately 11.79 or 12 acres which includes the Old

Coach Fields (owned by the Town), the Town Hall fields (owned by New Boston Playground Association), and the fields at the Central School. According to the Recreation Director, there is little surplus public recreation land available to support major new fields and recreation facilities, except perhaps at the front of Central School.

Given a total of approximately 12 acres, New Boston's current ratio of land supporting active recreation is **2.37** acres per 1,000 persons. An overall ratio of 2.37 acres per 1,000 persons can thus be assumed as a reasonable average that reflects New Boston's existing inventory of recreation facilities. While this ratio is useful as benchmark of existing available resources, it is not reflective of the Town's existing and future recreation needs based upon the Recreation Commission's (desired) facility standards for the community.

By utilizing the Recreation Commission's (desired) facility standards for New Boston as developed in the previous table, projections can be made to determine the number of recreation facilities required at the Town's current 2006 population as well as to determine the Town's future additional recreation needs (2015 and 2020) to meet new growth. These recreation facility needs are shown in the following table based upon various population thresholds.

Projected Recreation Facility Needs

Selected Recreation Facilities	Number Facilities Required at Current 2006 Population	Additional Facilities (acres) Needed to Meet (Desired) LOS Standard	Number Facilities Required at Estimated 2015 Population*	Number Facilities Required at Estimated 2020 Population**	Additional Facilities (acres) Needed to Meet New Growth to 2020
Baseball Diamonds	6	2	7	8	2
Soccer Fields	2	0	2	3	1
Football Fields	0	0	0	0	0
Basketball/Hard Courts	0	0	0	0	0
Tennis Courts	3	2	3.5	4	1.5
Gymnasiums	1.5	0.5	2	2	0.5
Swimming Beach	0	0	0	0	0
Swimming Pools	0	0	0	0	0
Ice Skating Areas	0	0	0	0	0
Skateboard Park	1	0	1	1	0
Playgrounds (number)	2.5	0.5	3	3	0.5
Playgrounds (acres)	10 acres	6.25 acres	12 acres	13 acres	3 acres
Parks, Community (acres)	30 acres	26 acres	35 acres	50 acres	20 acres
Picnic Tables	40	38	47	50	10
Trails, Hiking (miles)	11 miles	1.75 miles	13 miles	14 miles	4.75 miles

Note: Numbers are rounded as applicable to nearest whole number
*2015 Estimated Population is 5,834
**2020 Estimated Population is 6,272

In reviewing the projections in the previous table, the Recreation Director has indicated that obtaining additional land for recreation or establishing a community park in New Boston is not very easy or feasible given the lack of available land near the Village Center or near the Central School. Therefore, it is doubtful that a community park for New Boston could be constructed within the town any time soon. Chances however in obtaining additional land to support expansion of the community's existing ballfields (adjacent to the transfer station) and tennis courts and playgrounds are more likely through the cooperation of the School District and the New Boston Playground Association. In addition, the Recreation Department was recently successful in expanding its existing ballfields across the road on town-owned property adjacent to the Town's transfer station.

While impact fees could be considered by the Town to help recover some of the costs associated with the expansion of these facilities as well as the purchase of additional land, specific capital projects will need to be identified and included in the Town's CIP before impact fees could be implemented. In addition, public open space must be excluded from any recreation land or facility value assumptions for impact fee calculations so that the related cost of open space is not part of the impact fee assessment, in compliance with RSA 674:21, V.

Based upon the Town of New Boston's recently updated Master Plan, the most pressing short-term needs for recreational facilities include irrigation, landscaping, and fertilization plans for the Old Coach fields. Other short-term goals include starting programs in Dodgeball, Flag Football, Adult/Teen Softball league, and a "Teen Club." Long-terms goals include a multi-use community center by 2011, which would allow the Recreation Department to vacate the Town Hall, ease pressure on the school gym, and offer new programs.

The Recreation Director has indicated that the Department's recreation activities currently use the Central School gym to capacity and that the main focus of the Department in the coming years should be to build a new community center in town. A recent Feasibility Study for the integration of grades 7 and 8 at the New Boston Central School (dated January 7, 2008) has confirmed that expansion of the current school facility and gymnasium is not feasible due to a number of site limitations and that constructing a new middle school with a new gym and related ballfields would approach the cost of a new addition. Based upon these results, it appears that planning for a new community center in New Boston may be linked to the planning for a new middle school in the future. In the meantime, the Town may want to conduct it's own study of the adjacent properties (mainly the existing White Buildings adjacent to the Central School and land owned by the New Boston Playground Association) for a new Community Center. A new Community Center is needed due to expanding recreation program needs both current and new and to consolidate activities in a central location. If this study indicates that there is available land located on the parcels occupied by the existing White Buildings, the Recreation Direction has indicated that the Town would need to purchase the land and demolish one of the structures.

Currently, the Town of New Boston's 2008-2013 CIP includes a Multi-Use Community Center estimated at $500,000 in a 5-year bond in FY 2010. An architectural design of the Community Center was prepared several years ago (copy to be provided) estimating a total building size of 7,000 square feet. Previous attempts to approve a warrant article for the bond did not pass at the 2004 and 2006 Town Meetings. This year the Recreation Commission is proposing a new financial package which will include additional revenue sources to help offset the cost of the bond. At the 2007 Town Meeting, a warrant article in the amount of $20,000 was passed for the purchase of a new Recreation Van.

The following table below provides an estimate of the total amount of revenue collected by the Department based upon program fees between 2003 and a portion of 2007 (through May 24).

Total Fees Collected by Program from 2003 through 2007

	2003	2004	2005	2006	2007*
Afterschool	$54,750	$55,987	$68,552	$64,092	$26,242
Archery	$980	$1,306	$2,235	$1,749	$313
Baseball	$9,554	$9,135	$11,500	$13,698	$14,285
Sponsorships	$2,275	$1,914	$1,750	$2,800	$2,200
Basketball	$6,060	$5,925	$8,005	$10,316	$444
Concerts	$3,768	$3,046	$2,272	$1,842	$0
Gymnastics	$17,118	$14,260	$18,476	$19,691	$11,719
Karate	$0	$3,055	$4,025	$65	$0
Ballroom	$0	$0	$0	$600	$3,890
Playgroup	NA	$560	$640	$1,060	$0
Soccer	$2,386	$1,783	$3,440	$4,682	$5,164
Summer Program	$35,695	$32,172	$38,658	$38,853	$16,788
Tennis	$515	$435	NA	$360	$0
Yoga	$162	$7,149	$7,395	$7,465	$3,332
Concession	$965	$3,626	$6,557	$6,148	$3,698
Totals	$134,228	$140,353	$173,505	$173,421	$88,075

*(as of 5/24)

These fees are deposited into the Department's revolving fund. While the total fees collected have been generally increasing since 2003, the total amount of fees collected for individual programs are dependent upon the number of participants in any given year. Thus, the Recreation Department's programs are highly participant based and the amount of fees collected in any given year reflects the interest and popularity of that program to the residents of New Boston.

The following table provides an overview of the Recreation Department's maintenance expenses between 2003 and 2007 (through May 24th). As can be seen by this data, the largest cost is building maintenance followed by grounds. While the Department's building and ground maintenance costs have been increasing every year, the Department's vehicle costs have been decreasing.

Recreation Department Maintenance Expenses					
	2003	2004	2005	2006	2007 *
1. Grounds	$75	$3,169	$7,280	$5,216	$40
2. Vehicle	$1,005	$300	$90	$476	$40
3. Building	NA	NA	$24,322	$22,526	$10,889

* (as of 5/24)

Because the costs for vehicle replacement are currently not included in the Town's CIP for the Recreation Department, it would not be possible to utilize recreation impact fees for this purpose. However, if the Town decides to move vehicle replacement costs from the Recreation Department's budget into the CIP into the future, a vehicle component of a recreation impact fee could be established.

The New Boston Recreation Commission is responsible for developing programs for the residents of New Boston. The New Boston Friends of Recreation provide volunteers that help implement the recreational programs. The information provided in the following table indicates that there are a number of programs where participation rates have exceeded maximum enrollment capacity. These programs include archery, gymnastics, ballroom dance, playgroup, soccer, yoga and golf.

Based upon the popularity and demand for these programs, the Recreation Director and Recreation Commission should determine what program and facility improvements are necessary to address current demand. These additional facilities, if any, should be reflected in the projected recreation facility needs table and should take into account available space at the Central School gym and Town Hall.

Typically the demand for recreation facilities and services in New Boston is driven 100 percent by residential development and the residents of the community. As new development proceeds in New Boston, and the size and number of recreation programs grow, the capacity needs of the Department's existing facilities and buildings will need to be determined as well as the space needs of a new multi-use community center. This information will be essential in order to calculate an impact fee to help fund this long-term capital project and to address growth related impacts to the Department's existing facilities.

Based upon the recommendations of the Recreation Commission as well growth in the following programs as noted in the table above (gymnastics, playgroup, soccer camp, yoga) as well as the community's various basketball programs, there is current demand for the following additional recreational facilities in the Town of New Boston:

- Gym space
- Ballfields
- Tennis Court

Minimum and Maximum Program Enrollments			
Program	**Minimum**	**Maximum**	**Exceeded Maximum**
After School (White blds)	10	55	No
Archery (School)	6	14	Yes ('05), added extra class
Baseball (Old Coach/Play)		Open	Experiencing limitations
Basketball (School)		Open	Facility constraints
Gymnastics (School)		per class	Yes-wait list almost every session each year
Karate (School)	4	14	No
Ballroom and Kids Dance Class (Church)	5	15	Wait list (Winter '07 only)
Playgroup (White bldgs.)	5	18	Yes-wait list last 2yrs-added extra day in 06'
Soccer (Camp/Town Hall)	8	30	Yes-wait list-added extra class for ages
			4-6 beginning in '05
Summer Camp (White)	10	55	No
Tennis (Town Hall Field)	5	12	No
Yoga (White Bldgs)	6	18	Yes-wait list periodically each year
Golf (Out of Town)	6	20	Yes-wait list (Fall '06 + Spring '07)
CPR/First Aid (White bld)	6	12	No
Casino Trips (Out of Town)	25	50	No

Some of these recreation needs could be fulfilled with improvements to the Central School, but this will not be known until the school study has been completed. The recreation facilities expected as part of school improvements are not known at this time. However, it should not be anticipated that with expansions to the Central School in the future there will be adequate additional space and facilities for continued Town recreation programs. The Town of New Boston must anticipate that it will need its own facility or community center including additional fields in order to address the Town's current and future recreation needs.

Recommendations:

1. Utilize the Recreation Department's current *operating cost per capita* (FY 2006) of **$13.62** per person as one of the Department's LOS standards in the Town's fiscal impact model. This ratio can be easily calculated on an annual basis by dividing the Department's total annual expenditures by the current population of New Boston. It provides a year to year benchmark that can be used to determine what the Recreation Department's future operating costs may be provided the Department maintains the same LOS, equipment, facilities and operational support as provided the year before. This ratio can also take into account the increased costs to the Department and the Town for providing the same level of service in the future.

2. Do not utilize a *personnel-to-population ratio* as an LOS of the Department in the Town's fiscal impact model or as an LOS for impact fee calculation purposes. This LOS is generally not a good indicator of the need for recreational facilities or services within the community and as such provides a weak fiscal impact indicator.

3. Do not utilize an LOS standard of the Recreation Department based upon *total annual number of hours worked per capita of the total number of seasonal hours worked per capita*. This measure will vary considerable from one year to the next depending upon the rate of participation and the types of summer programs offered by the Department.

4. Utilize a *ratio of the appropriate number (quantity) or (acreage) of recreational facilities required at different population thresholds* as an LOS standard for the Town's future Recreation impact fee assessment methodology. Utilizing the local facility standards developed for this study, a Recreation impact fee could be calculated as the capacity needs of the Town's existing recreational facilities are determined, including the space needs of a new multi-use community center and additional ballfields. Because recreational facility needs are driven essentially by residential development, the cost to build a new community center could be expressed directly as a cost per person. To assess an impact fee, the Recreation Commission and the Town must decide the exact facility size that will be needed and when such facility should be built. Because a new multi-use community center has been included in the Town's 2008-2013 CIP, it can be concluded the Town has determined that the need for this facility is real. However, any impact fee assessment for this facility should wait until the Town has voted to proceed with the proposed $550K (town share) 10-yr construction bond. According to the CIP, this vote would not occur until 2009 or 2010. In addition, the Town would need to decide where the new facility should be constructed within the community and begin to identify available properties before any impact fee is warranted.

5. If the Town votes to approve a bond and build a new multi-use community center, the land for the facility would most likely need to be purchased by the Town. As a result, the cost of the land could be included in the Town's future Recreation impact fee assessment methodology. To accomplish this, an LOS would need to be established and allocated on a residential cost basis. A ratio of *acres or square feet per person* could be used for this purpose. However, in order to assess this fee, the Town must decide what size property would be needed for the new facility (i.e. 1 to 2 acres or 5 acres or more if ballfields or a playground are included) as well as an estimate of what the acquisition cost per acre would be for the land. This could be accomplished through a feasibility study.

6. A vehicles component of the Town's future Recreation impact fee is not currently possible or recommended, until such time as a vehicle replacement program for the Department is included within the Town's CIP.

Library

The Whipple Free Library is funded primarily through local property taxes, fundraising efforts, donations, grants and fees. The Whipple Free Library currently has three major cost centers: administration, building expenses, and library collection expenses (books, DVDs, CDs, etc.). The Library's total expenditures over the past seven fiscal years (2000 through 2006) is shown below.

Total Library Expenditures, 2000 through 2006

FY	2000	2001	2002	2003	2004	2005	2006
Library	$94,971.00	$91,767.79	$102,583.85	$117,437.38	$131,610.68	$137,337.67	$153,435.26

Source: Town of New Boston, Actual and Budgeted Expenses and Encumbrance Report

As indicated by this data, the Library's total expenditures between 2000 and 2006 increased $58,464.26 or 62 percent. This represents on an annualized basis an average cost increase of 9 percent per year.

Over roughly the same time period, the Town of New Boston's total population grew 22 percent or 917 people from 4,138 in 2000 to 5,055 in 2006. This population increase represents an annualized rate of growth of 3 percent per year. At the current rate of spending and population growth, the Library's *operating cost per capita* in FY 2006 was **$30.35** per person. In FY 2000, the Library's *operating cost per capita* was **$22.95** per person.

This ratio of total annual operating cost per capita offers an LOS standard for the Library. Because there has been no major decrease in the Library's annual expenditures since 2000 (except a decline in 2001), the Library's future operating costs can be projected by extrapolating these historic expenditure rates forward. Other useful LOS standards can be developed as the staffing, circulation and capacity needs of the Library are considered.

In addressing the community's demands for library services, the Library currently employs a total of between 8 to 9 employees per year. There is one full-time employee that works over 33 hours per week (one full-time equivalent equals 33 hours per week), a total of 3 part-time employees working between 20 to 30 hours per week, and 4 part-time employees working between four and seven hours per week. .

Based on New Boston's 2006 population of 5,055, the total number of full time staff within the Library is equivalent to **0.20** staff per thousand population, while the total number of Library personnel (both full and part-time) is **1.58** per thousand population (see following table). According to National Averages published by the U.S. Department of Education, National Center for Education Statistics, the general staffing levels among public libraries in 1996 was 2.71 paid full time equivalent librarians (librarians were

defined as a person with a masters degree from a program accredited by the American Library Association) per 25,000 population.[18]

Library	Personnel	Staff Per 1,000 Population (2006)
Full-Time	1	0.20
Part-Time	7	1.38
Total Employees	8	1.58

Although a relationship between population size and the need for librarians clearly exists, in reality, population provides only a general clue to likely demand for services. Therefore, such ratios can serve only as a *rough guideline* for appropriate staffing in any given municipality. Population is only one dimension of the actual demand placed on library services.

There are other service indicators that are available through direct measures of demand. The Library Director has suggested the possibility of considering the *number of new library cards processed each year* as a demand unit measurement or utilizing data concerning the number of New Boston residents that may be purchasing library cards to use libraries in the GMILCS system (GMILCS libraries include Goffstown, Bedford, Milford, Amherst, Manchester, Hooksett, etc). While these statistics may be helpful in understanding the number of new library patrons added each year to the system or the number of New Boston residents looking for library services outside of New Boston, these numbers do not provide an overall standard representing the services the library provides to the community nor do they set an LOS for determining future library facility capacity.

Other more realistic LOS standards can be established for library services and facility needs based upon such indicators as the *number of collection holdings* or *volumes per capita*, the *number of circulated library material per person*, and *library floor space per capita*. These standards may provide more revealing library demand and service needs than simply considering the number of new library cards or purchase of GMILCS cards or staffing ratios based simply on population.

As of the end of 2006, the Whipple Free Library served the Town of New Boston with a total of almost 21,000 collection volumes or holdings of library materials in stock. The library includes large print books, reference, periodicals, books on cassette and CD, videotapes and DVDs, public Internet access, and fax and copy machines. The Whipple Free Library also contains valuable resources on local history, including the New Boston History Collection and the New Hampshire History Collection. Additionally, the Whipple Free Library participates in the Statewide Interlibrary Loan system. The Library also provides a variety of public programs, including story hours for children and book discussions for adults.

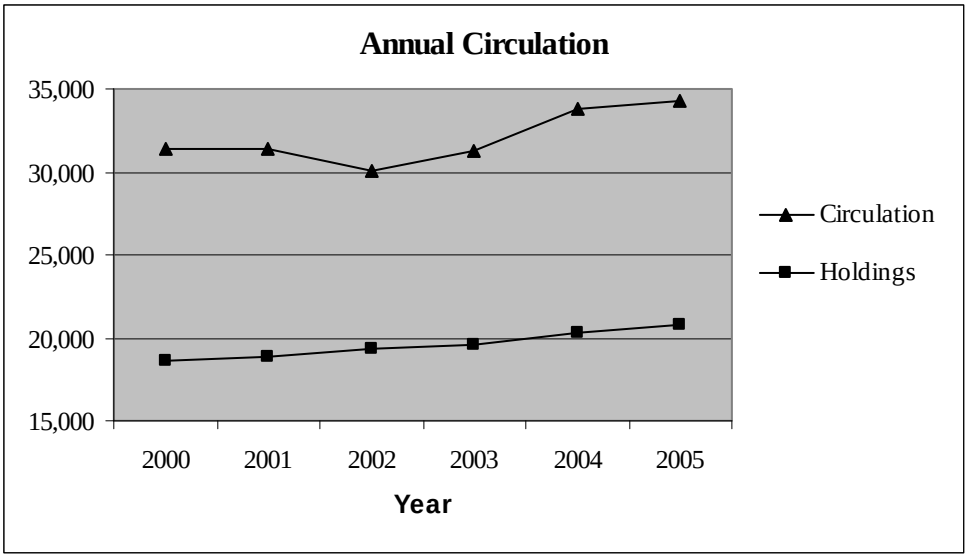
[18] Municipal Benchmarks, David N. Ammons, 2nd Edition, 2001, pages 219-221.

According to the Library Director, during the school year the Library currently holds between 6 to 7 story times a week with up to 10 participants depending upon the demand. The Library also holds one night-time story time a month to let those who cannot come during the day attend this program. In addition, the number of participants in the Library's Summer Reading Program has increased from 271 in 2002 to 376 in 2006, which represents an increase of 39 percent or 105 participants in the past five years.

Because it is essentially the residents of New Boston that create 100 percent of the demand for library services, an LOS standard can be calculated for the Town's Library based upon the *number of collection volumes or library holdings per capita.* To calculate this per capita ratio, the 2006 total number of library holdings - both printed and unprinted materials, audio, video, and electronic available to the public – 21,000 can be multiplied by 100 percent representing the residential demand for those materials. That number 21,000 can then be divided by 5,055 persons (the 2006 population of the town served by the library system). This results in an LOS standard of **4.15** *collection volumes or library holdings per capita* in New Boston.

Estimates of public library collections are typically provided by the New Hampshire State library which publishes library statistics, including collection sizes and the number of volumes per capita in public libraries in the state. As provided in the Town's master plan, the annual circulation of library materials between 2000 and 2005 is shown in the graph below. Between 2002 and 2006, the total number of circulated volumes increased from 30,054 items to 35,362 items or roughly 18 percent. This represents on an annualized basis a growing rate of demand for circulated materials within New Boston of 4 percent per year. According to the Library Director, the circulation of library materials so far in 2007 is up 9%.

Library Circulation and Holding Statistics



Source: Town of New Boston updated Master Plan, Source & Whipple Free Library

In addition to an LOS standard based upon the number of collection volumes or library holdings per capita, an LOS may also be calculated based upon the *number of circulated library material per person.* To calculate this per capita ratio, the current total number of circulated volumes on loan to the public as of the end of 2006 - 35,362 - can be multiplied by 100 percent representing the residential demand for those materials. That number 35,362 can then be divided by 5,055 persons (2006 estimated population of the Town served by the Library system). This results in an LOS standard of **7.0** circulated library materials per person in New Boston. However, this LOS does not offer an adequate indicator or estimate of the need for facility improvements.

As reported in the Town's recently updated Master Plan, the Whipple Free Library building is experiencing severe space constraints. The building currently contains a total of 2,400 square feet which is being fully utilized. According to the Master Plan and the Library Director, the Library also has nearly 700 books in off-site storage which cannot be displayed in the building. The off-site storage space includes a room within the adjacent church building and a heated out-building owned by one of the Library trustees. In addition, there is currently a significant lack of workspace available for Library staff.

In 2004, there was a warrant article which asked for $888,500 in a 15-year bond (which would have added 32 cents per $1,000 of assessed value to the Town's tax rate) to build a new library facility in New Boston. This bond, however, received only 50 percent of the voters' support, less than the required three-fifths majority needed for approval.

According to the Library Director, the Library Trustees have decided to continue fundraising efforts within the community to build a new library facility. This initiative is now being reconsidered for the 2009 ballot and a 10-year library construction bond in the amount of $500K (the town's portion or share of the cost) has been scheduled within the town's 2008-2013 CIP. According to the Chair of the Library Trustees based upon a recent architectural study commissioned by the Trustees, the cost of building a new 5,000 square foot library facility with an option for a community room is estimated to be 1.1 million dollars. If this new bond proposal is passed at the 2009 town meeting, the Trustees would be responsible for raising the balance of the funds necessary to build the new library facility.

The original Whipple Free Library building (containing 800 square feet) was constructed in 1927. A 1,600 square foot addition was added to the original building in 1980 bringing the total size of the building to 2,400 square feet. According to the Library Director, the Town hired a nationally known library consultant, Aaron Cohen, at that time to plan the addition. However, when the addition was planned, it is not known if any national or state standards or any records exist that may have been used to project how many years the Library addition would be able to operate before reaching its capacity.

The Library Director recalls mentioning to the Town that with the 1980 addition, the Library building would last 20 years and that this estimate was most likely made based upon "x" number of books for "x" number of people and the amount of space those books would take up. Since the 1980 addition, the Library has added more shelving and has

rearranged as much of the building's available floor space as possible to accommodate room for computers, videos, audio books and staff. According to the Library Director, by the mid-1990's, it was apparent that they had done all that they could to utilize the building's existing space.

It is also reported in the Town's recently updated Master Plan that there have been some facility improvements made to the library building since 2000 which include a very small office area, lighting in the office area, re-shelving of audio and visual collections, a new book drop near the Mill Street entrance, an alarm system, new carpeting, and small chairs replacing large leather lounge chairs. Program and service changes implemented since 2000 include an increase in public access computers, increased audio-visual materials, a teen advisory group for teen programs, monthly adult and children's book discussion groups, a Knitting Group, and a library website. The current physical needs of the library include repairs to exterior masonry, improvements to sidewalks, and repositioning the existing handicap entrance.

In addition to the library building itself being at capacity, the lot upon which the building is located is also at capacity. This lot (Map 19 Lot 10) is currently owned by the Town and is only 0.16 (acres) or 6,969.6 square feet in size. As a result, there is very limited space for pedestrian and handicapped access to the building and there is limited to almost no parking available on the property. Currently, the library is allowed to utilize the parking spaces at the adjacent church parking lot and in exchange for the use of these spaces, the town has agreed to plow the spaces in the winter.

It is possible American Library Association (ALA) recommendations may have played a role in determining the amount of space needed for the Library in 1980.[19] The often cited standard is **0.75** square foot per capita for overall library space and **3** to **5** print volumes per capita. However, these standards are now out of date and are rarely used.

For its grant-in-aid programs, the New Hampshire State Library System at one time used Public Library Space Needs – A Planning Outline, prepared for the Wisconsin Department of Public Instruction, Division for Library Services, as a guide to planning and expanding public library facilities in the state.[20] This document recommends a 20-year projection period and contains a detailed methodology for determining the appropriate collection size, shelving requirements, user seating space per thousand population, staff work space, meeting room space, special use rooms, and other spatial requirements. Recommended volumes per capita contained in this document for towns in New Hampshire with a service population of between 4,000 to 7,999 population is **5.0** and the recommended seats per thousand population is **7.0**.

[19] American Library Association, Minimum Standards for Public Libraries (1967) and Interim Standards for Small Public Libaries (1962).

[20] Adapted from Public Library Space Needs, A Planning Outline, 1988, By the Wisconsin Department of Public Instruction. This manual is used by the N.H. State Library to assist local communities in planning public library facilities.

In addition to these standards, Mr. Thomas J. Hennen, Jr. director of the Waukesha County (Wis.) Federated Library System and creator of the HAPLR Library Ratings has published data on existing and recommended public library building size based upon population and geographic regions across the nation.[21] These ratings indicate that public library building size within New England communities between 5,000 and 9,999 population should be **1.1** square foot per person. Ultimately, all of these references should not, however, be used as a substitute for working with the local Library Trustees and an architect in developing a more specific study of New Boston's library facility needs.

While New Hampshire law requires that any city or town having a public library must annually raise and appropriate a sum sufficient to provide and maintain "adequate public library service", the state only provides guidelines as to what constitutes "adequate" service. New Hampshire Public Library Standards, published by the NH State Library, contains minimum standards for levels of service to achieve accreditation under the State Library System. The standards are based on the number of hours open and full-time staffing, but do not require a particular number of volumes or building size.

Although it is not yet known whether the community of New Boston will pass a bond to improve the Town Library, it may nevertheless be possible to employ an incremental expansion calculation in developing an impact fee for the Whipple Free Library system. The decision regarding when to calculate and assess this fee is highly dependent upon voter approval of the new facility and whether the Town will be prepared to build such a facility within six years of the assessment of the fee.

Development of the fee must be based upon the rationale that new development is paying for its share of the useful life and capacity of the new library facility from which new growth will benefit. To develop the fee, the capacity of the new building must be determined. In addition, a cost per square foot for new library space must be obtained from comparable and recent construction costs for new library facilities. It is likely that a credit for future principal payments on the bond may not be necessary as recent improvements to the existing library facility were not debt financed by the Town.

Also because the Town of New Boston already owns the property upon which the future new library facility may be constructed (i.e. an 11.82 acre parcel of land located behind the post office on Mt. Vernon Road – Map 8, Lot 111), it may not be necessary to calculate a land component in addition to the fee component for the new facility.

The first step in the Library impact fee calculation is to determine the current level-of-service (LOS) being provided to existing development (i.e. residents within the community). The second step involves determining the cost per person to provide this LOS in the future.

[21] Hennen's American Public Library Ratings, HAPLER Index found at: http://www.haplr-index.com/haplr_building_size_listing_page.htm.

One possible method to calculate the library LOS is to multiply the total square footage of library space (2,400) by 100 percent of the residential demand for such services and then divide it by the current population of the Town. This would result in an LOS of **0.47** square feet of *library space per person.* The cost per person to provide this LOS can then be calculated by multiplying the current LOS (square feet library space per person) by the current cost to construct comparable library facilities per square feet.

However, because the total square footage of the existing Library building is already at capacity for the current population size of the community, this LOS is too low and can not be considered a reasonable standard or reflection of the provision of library services within the community. A more reasonable estimate of library space per person for New Boston would be to employ an LOS of between **0.75** to **1.1** square feet per person as suggested by the Wisconsin library planning guides and the HAPLR ratings.

Considering the Town's estimated 2006 population of 5,055 people, this would mean that the Town of New Boston should have a library facility of between 3,791 to 5,560 square feet in size. Because an architectural feasibility study has already been completed by the Board of Trustees recommending that a new 5,000 square foot library facility be constructed to address the Library's current capacity needs, a more realistic LOS standard of **0.99** square feet per person can be established considering the Town's 2006 population. If the Town votes to increase the overall square footage of the new library facility to include a proposed meeting room or other floor area additions, this LOS can be adjusted accordingly.

Recommendations:

1. Utilize the Library's current *operating cost per capita* (FY 2006) of **$30.35** per person as the Library's LOS standard in the Town's fiscal impact model. This ratio can be easily calculated on an annual basis by dividing the Library's total annual expenditures by the current population of New Boston. It provides a year to year benchmark that can be used to determine what the Library's future operating costs will be provided the Library maintains the same LOS, staff size, programs and services as provided the year before. This ratio could take into account the increased costs to the Library and the Town for providing the same level of service in the future.

2. Do not utilize a *personnel-to-population ratio* as an LOS of the Library in the Town's fiscal impact model or as an LOS for impact fee calculation purposes. This LOS only offers a rough guideline to estimate the need for library facilities or services within the community and as such provides a weak fiscal impact indicator. Likewise, do not utilize the number of new library cards processed each year as a reliable LOS for the library.

3. Utilize the *number of collection volumes or library holdings per capita* (FY 2006) of **4.15** as an LOS standard in developing a future Library impact fee for the Town.

This ratio can be easily calculated by dividing the total number of library print volumes, recordings, periodicals, videos, etc. and other materials available to the public by the residential demand for those materials and by the current population of the Town. This ratio also provides a year to year benchmark that can be used to determine future library collection holding needs.

4. Do not utilize the *number of circulated library material per capita* (FY 2006) of **7.0** as an LOS standard in the Town's fiscal impact model or in developing a future Library impact fee. This ratio can be easily calculated by dividing the total number of circulated volumes by the demand for those materials by the population of the Town thus providing a year to year benchmark that can be used to assess future circulation needs and the rate of demand for circulated materials within the New Boston. It does not, however, offer an adequate indicator or estimate of the need for facility improvements.

5. Utilize an LOS ratio of *library space per person* and if necessary a *land cost per person* to calculate the facility component of the Town's future Library impact fee. In FY 2006, this LOS standard can be estimated to be **0.99** square feet per person based upon the Trustees recent architectural study. However, this ratio may need to be adjusted if the Town votes at the 2009 Town Meeting to add a meeting room onto the new library facility. This LOS can be easily calculated by multiplying the total square footage of library space (5,000) by the demand for such services (100 percent residential) and then dividing by the Town's population. The cost per person to provide this LOS can be calculated by multiplying the current LOS by the current cost to construct new library facilities per square feet.

School District

The New Boston School District derives its funding primarily through local property taxes, grants and state aid. The District's total expenditures over the past five fiscal years (2003 through 2007) are provided in the following table. The District has seven major cost centers: salaries, special education, school board, plant operations, regular benefits expenses, student related materials and furniture, and fixed costs.

This data clearly demonstrates that the primary cost drivers associated with the operation of the School District are salaries followed by special education and regular benefits expenses. Between FY 2003 and 2006, the District's total expenditures increased $992,355 or 28 percent. This represents on an annualized basis an average cost increase of 7 percent per year.

Over roughly the same time period, the Town of New Boston's total population grew 20 percent or 339 people from 4,716 in 2003 to 5,055 in 2006 This population increase represents an annualized rate of growth of 2 percent per year. At the current rate of spending and population growth, the School District's *operating cost per capita* in FY

2006 was **$899.19** per person. In FY 2003, the Department's *operating cost per capita* was **$753.40** per person.

New Boston
Education Budget Expenditures, 2003-2008

FY	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Salaries	$1,510,230.00	$1,529,308.00	$1,683,910.00	$1,765,886.42	$1,914,564.00
Special Education	$1,134,549.00	$1,177,538.00	$1,238,125.00	$1,798,271.73	$1,700,409.00
School Board	$28,018.00	$25,383.00	$26,183.00	$28,582.00	$25,861.00
Plant Operations	$340,057.00	$353,906.00	$353,496.00	$444,143.40	$505,932.00
Regular Benefits Expenses	$503,134.00	$569,023.00	$602,636.00	$720,554.45	$748,186.00
Student Related Materials and Furniture	$110,866.00	$100,502.00	$142,398.00	$127,944.00	$188,598.00
Fixed Costs	$3,553,054.00	$3,783,998.00	$3,965,047.00	$4,545,409.00	$4,257.451.00

Source: New Boston School District

This ratio of *operating cost per capita* can be employed as an LOS of the School District as there has been no decline in the District's total annual expenditures since FY 2003. In addition, the District's future annual operating costs can be projected by extrapolating these historic expenditure rates forward.

A number of graphs which have been prepared by the School District are provided on the following pages. These graphs also clearly show the growth trends of the School District's individual cost centers. As can be seen by this data, there has been continuous growth in each cost center since 2003, except for a slight decrease in expenditures for Special Education and Fixed Costs in FY 2007.

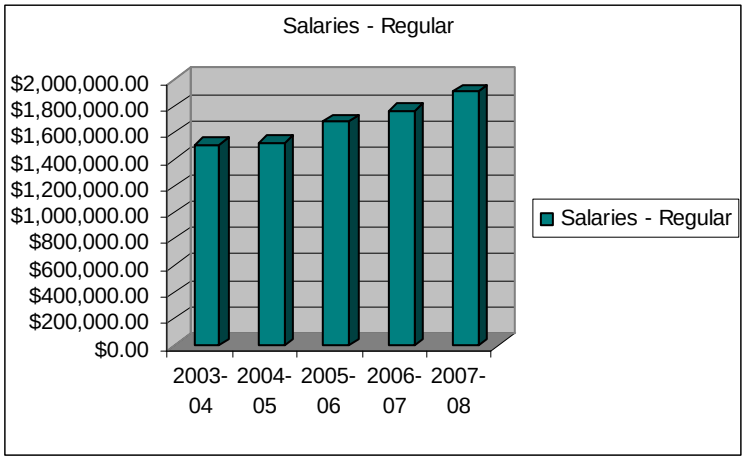
The following table and graphs provides a comparison between the total amount of public funds appropriated for education in New Boston and the amount actually spent from FY 2000 to FY 2005. As can be seen by this data, both the local and state tax rates for education have increased significantly since 2000, while the percent of total appropriation spent is fairly consistent year to year, except during FY 2003 when it was much lower.

New Boston is part of School Administrative Unit (SAU) #19 and shares a superintendent and an administrative staff with the towns of Goffstown and Dunbarton. Dunbarton and New Boston pay tuition to send their students in grades 7 through 12 to Goffstown middle and high schools under an Area Agreement in existence since 1971. This Agreement is set to expire in FY 2014.

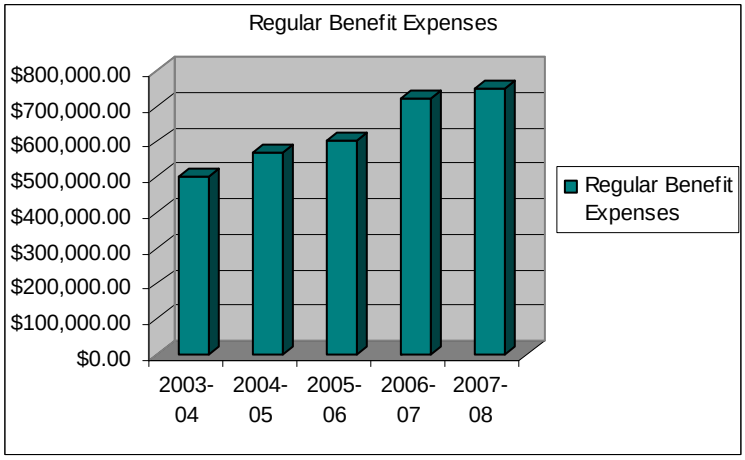
New Boston Education Appropriations and Expenditures, 2000 to 2005

Year	Total Appropriation	Tax Assessment	Local School Rate	Local/State Rate	Actual Expenditure	Percent of Total Appropriation Spent
2005-2006	8,220,277	4,560,666	16.46	20.86	8,011,795	97%
2004-2005	7,819,365	4,492,239	17.00	21.71	7,760,300	99%
2003-2004	7,360,971	3,504,442	13.89	20.12	6,267,920	85%
2002-2003	6,687,025	2,779,205	11.66	17.91	6,646,695	99%
2001-2002	6,603,744	2,456,302	11.03	17.64	6,427,531	97%
2000-2001	5,724,795	2,409,114	11.56	17.76	5,535,239	97%

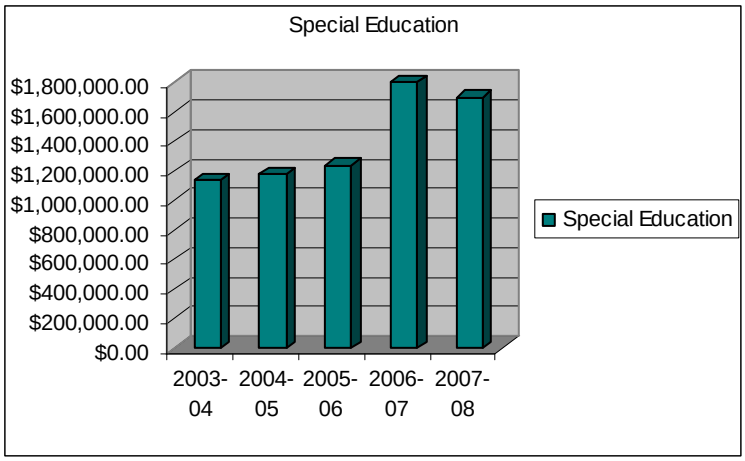
Source: New Boston School District



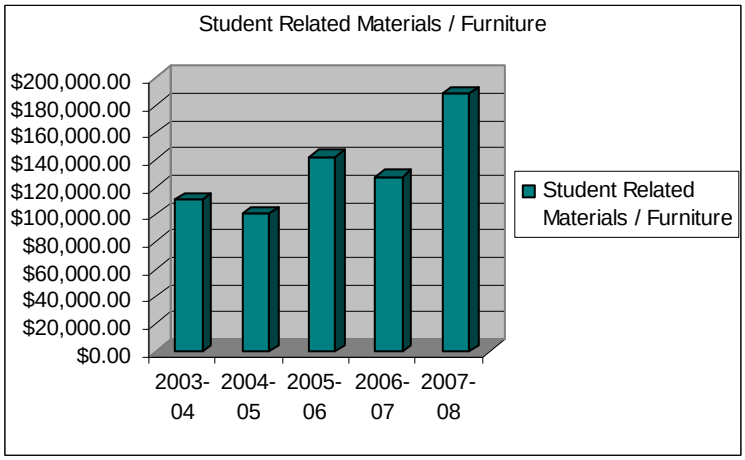
Source: New Boston School District



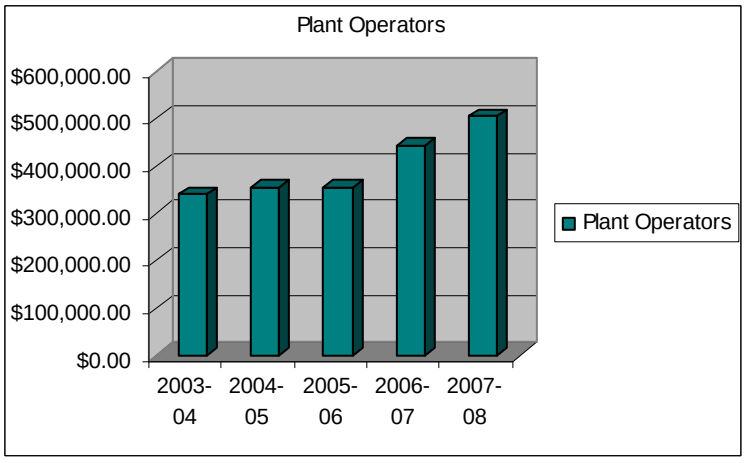
Source: New Boston School District



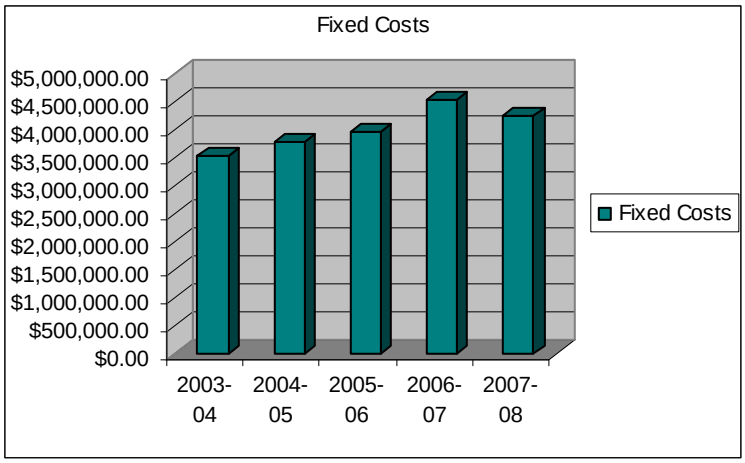
Source: New Boston School District



Source: New Boston School District



Source: New Boston School District



Source: New Boston School District

The Principal of the New Boston Central School has indicated that the Town of New Boston could opt to get out of this Agreement before 2014; however, there would be a penalty that would need to be paid. According to the Principal, the cost of this penalty would not be excessive for grades 7 and 8. However, the penalty cost to the town would be significant for grades 9 through 12 as there is currently a school improvement bond in place for those grades attending Goffstown schools and New Boston would have to pay a percentage of that cost.

Currently, the New Boston School Board controls the budget, policies and curriculum for the New Boston School District and have voting power for the SAU #19 Board in proportion to the percentage of New Boston students in the SAU student body.

At the present time, the New Boston School District employs a total of 75 full and part time staff consisting of 41 professionals (teachers and specialists), 31 support staff (teacher aids, custodians, etc.) and 3 administrative staff (principal, assistant principal and secretary). Based on New Boston's 2006 population of 5,055, the total number of professional staff (teachers and specialists) within the School District is equivalent to **7.71** staff per thousand population, while the total number of teachers (both full and part-time) is **8.11** staff per thousand population.

School District	Professional Personnel	Staff Per 1,000 Population (2006)
Full-Time	39	7.71
Part-Time	2	0.40
Total	41	8.11

It is anticipated the New Boston School District current *teacher personnel-to-population ratio* of 8.11 will decline as the Town's population continues to grow (provided no major increases or new positions are added to the School District's staff). While this ratio can be used as an LOS standard for the New Boston School District to project future fiscal

impacts on the school district, in general it is not recommended because there are no recognized national, state or local standards, performance measures or benchmarks available for comparative purposes. This ratio can be used for general comparative purposes with other similar school districts; however, for the purpose of this fiscal impact study this type of comparison is not necessary or recommended.

The New Hampshire Department of Education annually publishes a ratio of the *cost per pupil per district* which provides a more useful LOS than personnel-to-population ratios. The ratio of *cost per pupil* represents, with certain adjustments, current expenditures from all funding sources (local, state and federal) associated with the daily operation of schools. Payments to other school districts and private schools are subtracted as well as revenues from the sale of lunches.

The most recent *cost per pupil* calculations for the New Boston School District are published for FY 2005-2006. In preparing these calculations, the NH Department of Education subtracts tuition and transportation from K-12 current operating expenditures, and then divides the total by average daily attendance.

For New Boston's Central School, a *cost per pupil* of **$8,291.49** has been calculated for elementary grades 1 through 6. In comparison, the statewide average cost per pupil for elementary school is **$10,108.08**. A *cost per pupil* of **$8,291.49** has also been calculated for preschool at New Boston's Central School. In comparison, the statewide average cost per pupil in preschool is **$9,710.10**.

The NH Department of Education does not calculate a *cost per pupil* for grades 7 & 8 or 9 to 12 for New Boston. However, these costs are available directly from the New Boston School District each year as they basically reflect the tuition cost charged to the Town of New Boston for sending a middle or high school student from New Boston to Goffstown schools. For FY 05/06, the *cost per pupil* for grades 7 & 8 in New Boston was $**8,242** and for grades 9 through 12 the *cost per pupil* was **$8,454**.

In addition to *cost per pupil* there are three other effective ratios that can be used as LOS standards to reflect the provision of New Boston's educational services. These LOS standards also include ratios which are often used in determining the need for additional school facilities within a community such as *student teacher ratios, pupil per classroom* ratios or *average classroom size* or *square feet per pupil* based on classroom type, and *site acreage per pupil capacity* ratios.

As of October 2, 2006, the NH Department of Education reports that the New Boston School District has a *student to teacher ratio* of **14.1:1** given a total enrollment of 436 students and a total of 31 teachers. This ratio is slightly higher than the 2006 statewide average of **12.8:1** for grades 1 through 12. New Boston's *student to teacher* ratio can be used as an LOS standard for the School District as statewide data is available for comparative purposes. However, New Boston's *student to teacher ratio* primarily reflects grades 1 through 6 only. In addition, this ratio will fluctuate annually based upon actual enrollment and total number of classrooms and teachers.

Most school districts have either adopted or informally embraced local standards for desirable ratios of the *maximum number of students per classroom.* Typically, these standards range from 20-25 pupils per classroom. According to the New Boston Central School Principal, the School Board has embraced a local standard of a maximum of **21** students per classroom for grades K-2 and below, and a maximum of **25** students per classroom for grades 3 through 6.

According to the NH Department of Education, the *average class size* of New Boston's Central School as of October 2, 2006, was **18** for grades 1 & 2; **20** for grades 3 & 4; and **19** for grades 5 & 8**.** These average class sizes compare favorably to statewide averages which are 15 for grades 1 & 2; 16 for grades 3 & 4, and 19 for grades 5 & 8.

The Department of Education Rule, Ed 306.17, also specifies a maximum allowable class size of 25 for grades 1 and 2, and 30 for higher grades. New Boston's local standards and average class size is well within these required guidelines. As such these guidelines could be utilized as an effective LOS standard of the School District unless the District would prefer to use its own local standards of 20 and 25 students per classroom respectively.

There are also a number of state guidelines for determining the capacity of school building construction. These guidelines include (Ed 321.01 Definitions):

> Design capacity – the maximum total number of students intended to be educated in a school building following completion of a construction project;
>
> Educational capacity of a school building – the sum of the maximum number of students that can be simultaneously instructed in every educational space of the building using the minimum space allocations specified in Ed 321.10 (see below)

School capacity can also be based upon the State of New Hampshire's recommended minimum square footage per pupil and minimum total square footage per general-purpose classroom, including laboratories and other special purpose classroom space. These standards are specified in the NH Code of Administrative Rules Ed 321 as provided in the following table.

According to the Principal, the New Boston Central School was built with core facilities (classrooms, library, gymnasium, cafeteria, etc.) to house an ultimate enrollment of **600** students utilizing the recommended space and capacity standards as identified above. In addition, all the classrooms in the school are currently being used for one educational purpose or another and the gymnasium and playgrounds are in constant demand between school related events and the Town's Recreation Department's programs.

RECOMMENDED SPACE ALLOWANCES FOR NEW HAMPSHIRE SCHOOLS

* Indicates minimum requirements as specified in NH Code of Administrative Rules Ed 321. Oth
recommended minimums.

The minimum sizes below are the recommended minimum amount of space for the smallest program
most cases the SF/Pupil number multiplied by the largest expected number of pupils in one class peri
should govern the total size. Spaces such as gymnasiums, music rooms etc. may also be used for c
curricular activities which may require a larger size space than necessary for academic instruction.

Subject	SF/Pupil	Minimum Total SF
General Purpose Classroom		
Elementary & Middle School	36*	900*
High School	32*	800*
Separate Science Laboratory	45*	900*
Combination Science Lab/classroom	60*	1200*
Library/Media Center (40 sf/pupil for 10% of design capacity)		1800*
Art		
Elementary	36	900
Middle/High	60	1200
Music		
Instrumental	25	1000
Choral	15	800
Physical Education		
Elementary	110	700
Middle	125	3800
High	150	5000
Technology Education Laboratories	75	1500
Family and Consumer Sciences	75	1500
Computer Laboratory	30	750

The New Boston School District has a long-term goal of providing for a middle school to serve students in grades 5 through 8 in New Boston. The Central School would continue to serve students in grades K through 6 and high school students would continue to attend Goffstown High School under the District's existing agreement. Currently, the Central School facility also serves as a meeting area and recreational complex for New Boston residents. Public assembly areas within the building are used to host elections, town meetings, board and committee meetings, and the gym is used extensively by the Town Recreation Department.

The School District has recently completed (January 7, 2008) a space and cost feasibility study of expanding the existing school building to add classrooms, gymnasium and fields for the possibility of integrating 7 and 8 grade students at the New Boston Central School. The results of the study indicate that while the existing Central School building and the school's septic system can be enlarged to handle the additional capacity, the size and space configuration of the building as well as utilization of the site would not be suitable for expansion. In addition, there would be a number of traffic related issues at the current Central School site that would need to be addressed if the building was expanded to accommodate grades 7 through 8. As a result, the most favorable option would be to find a new site and build a new Middle School facility within the town.

For the purpose of this fiscal impact analysis as well as the consideration of possible impact fees for the school in the future, it is important to identify the School District's total facility needs per pupil that reflect classroom space, core facilities, and circulation space with respect to the future growth of the community.

In order to calculate an impact fee for future capital school improvements, the differences between core and classroom capacity should be taken into consideration by the School District's consultant in performing the current space and facility cost study. In addition, an inventory of the School District's current facilities should be conducted as part of this study to determine the current averages of *gross floor area per pupil capacity*. An estimation of total facility space (square feet) per pupil would then reflect the total area required per pupil in developing an LOS standard as well as an impact fee calculation for the school.

Capacity estimates based on these guidelines typically reveal a wide variation in overall requirements and are often expressed as a *gross square foot area per pupil capacity*. Over time, in many school districts across New Hampshire, the desire to maintain lower *student or pupil-to-teacher ratios* has led to significant reductions in the estimated capacity of school facilities. Such changes relate not only to growth, but also to changing expectations for the quality of education.

In order to treat existing and future development fairly, New Boston has a choice whether to base this fiscal impact analysis and a potential impact fee assessment for its schools upon an LOS standard utilizing the existing *average square footage* and/or *land area acreage per pupil capacity*, or to base it on desirable levels of service at a higher facility standard. Choice of the higher standard, however, implies an obligation to utilize non-impact fee funds to pay the difference between the cost of the existing and the higher facility standards.

More importantly, the Town of New Boston will eventually need to vote on whether a new Middle School facility should be built within the town and where and how much should be spent on the land, buildings and other facility improvements that would be required. This decision is essential and should occur before the Town of New Boston considers utilizing impact fees to help fund these future improvements. Also the town's Capital Improvement Program would need to be updated accordingly before an impact fee could be assessed for this facility.

In addition to utilizing an existing or desired *average square footage* and/or *land area acreage per pupil capacity* as an LOS standard, basic minimum state standards could also be applied to compute minimum spatial requirements in lieu of preparing the more detailed estimations as noted above as part of the School District's current space and facility cost study. For elementary schools, these requirements typically range from a minimum 900-square foot classroom with a maximum enrollment of 30 pupils per classroom, and 1,000 square feet for kindergarten classrooms, or 50 square feet per child (60 square feet recommended – see recommended space allowances for New Hampshire schools shown previously). According to state standards, elementary school sites should also have a minimum of five acres, plus an additional acre of land for each 100 children of projected maximum enrollment for the facility.

According to the Town's recently adopted Master Plan, the New Boston Central School (NBCS) was constructed in 1953 on a seven-acre site on Route 13 east of the Village and

contains an on-site well and septic system. Additions were made in 1967, 1987, and 2000. Since 2000, the NBCS added two kindergarten classrooms, which consisted of 2,341 square feet of accessory bathrooms and storage space.

According to the Principal, the New Boston Central School site currently contains a total of 15.227 acres and is made up of two parcels of land of 5.828 and 9.399 acres each in size. The total building area of the school is 59,225 square feet. In addition, the School District owns two white clapboard sided buildings located near NH 13 between the school and the town hall which are approximately 1,200 square feet each in size. These buildings were used as the Town's former school and are currently being used for various Town recreation programs.

According to the Town's recently adopted CIP for FY 2008-2013, the school's primary capital facility need is a roof replacement. The roof was last replaced in 1987 and a new roof is scheduled to be installed in 2010 at an estimated cost of $100,000 – which is the town's share of the total cost. The remaining roof of the building is scheduled to be replaced in 2013 at an estimated town cost of $200K. A total of $300,000 is scheduled to be paid by the town towards these projects. Because this capital project could easily be considered an ongoing maintenance expense and not a capital improvement project specifically occasioned by new development, it would be difficult to justify the development and assessment of a school impact fee strictly for this improvement. Justification for the assessment of a school impact fee for the New Boston School District would be better spent if it was applied toward a new Middle School or specific capital improvements to the existing NBCS building, such as the addition of portable classrooms and other capital expenses which were the result of new growth and development within the community. This necessitates that an analysis of the town's existing public school facilities be conducted, particularly with respect to the capacity of the existing NBCS building itself with respect to existing and projected enrollment.

As illustrated in the following table and graphs, there were a total of 549 students enrolled in New Boston Central School from pre-school to grade six as of October 2007. In addition, there were a total of 131 students attending Mountain View Middle School in Goffstown and a total of 255 students attending Goffstown High School in the 2007-2008 school year.

According to the Principal, the New Boston Central School currently utilizes all 26 of its classrooms. Twenty-two rooms house grades 1-6, with three to four classrooms per grade level. Two rooms are for the half-day sessions of public kindergarten. As each session is only 2½ hours in length, there is a potential for four sessions in the two classrooms, though only three sessions (two morning and one afternoon) have been needed since instituting kindergarten in September 2001. One classroom is for the integrated pre-school, providing programming for three and four-year-olds with educational disabilities. The final classroom is used for the Readiness program, serving those students who meet the age requirement for first grade but developmentally require an additional year.

School Enrollment for New Boston Students, 2000-2005

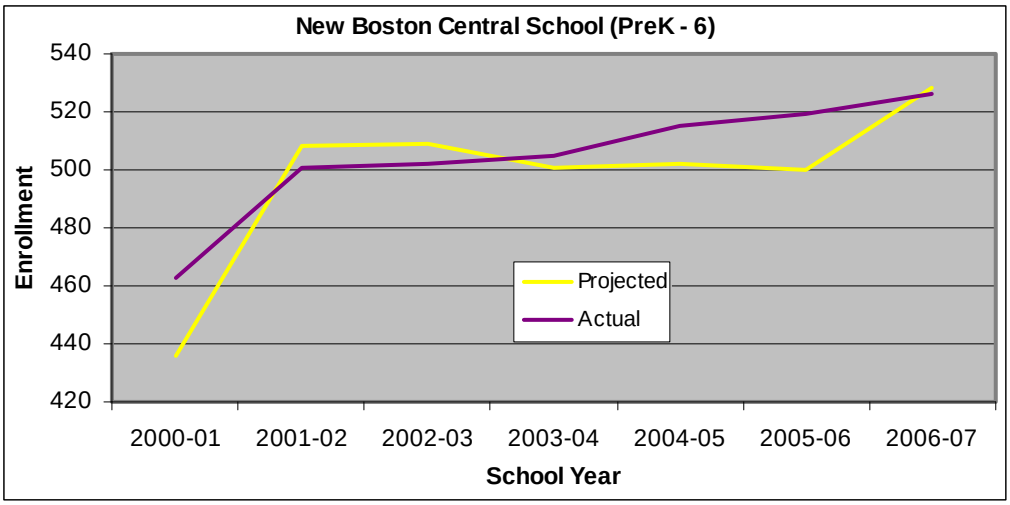
Grade	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2007-2008*
PreK	37	23	20	25	26	24	23
K	N/A	61	55	57	55	54	67
R	11	16	15	17	16	11	20
1	79	62	83	72	76	76	86
2	52	78	61	81	65	71	69
3	59	49	79	63	77	67	79
4	84	62	51	79	62	73	67
5	71	81	57	53	83	61	70
6	70	69	81	58	55	82	68
Total	**463**	**501**	**502**	**505**	**515**	**519**	**549**
MOUNTAIN VIEW MIDDLE SCHOOL							
7	66	68	71	86	55	48	57
8	63	63	73	71	80	51	74
Total	129	131	144	157	135	99	131
GOFFSTOWN HIGH SCHOOL							
9	52	52	65	71	76	89	63
10	55	55	53	70	76	78	54
11	48	48	56	60	67	75	70
12	32	32	48	59	51	60	68
Total	187	187	222	260	270	302	255

Note*: Actual enrollment as of 10/26/07
Source: New Boston School District

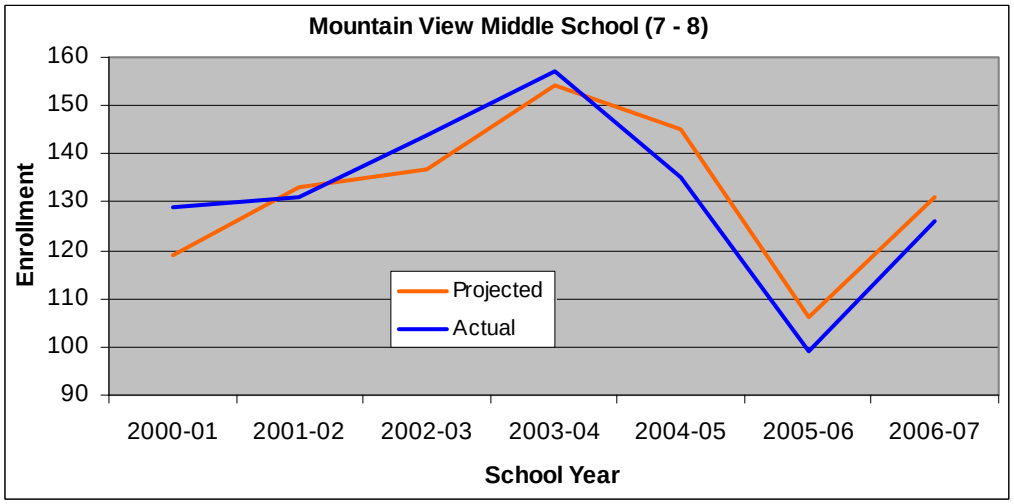
In addition, the Principal has indicated that the School District is planning to add two portable classroom buildings containing two classrooms each to be used for grades 5 and 6 as enrollment projections for New Boston students at NBCS are predicted to increase from a total of 549 students in FY 2007-08 to 592 students in FY 2008-09.

Actual enrollment at NBCS has been steadily increasing since 2001 (see following graphs). If plans proceed for the two portable classrooms, the School District and Town should work together to include the cost of these buildings in the Town's CIP. In addition, the Town and School District should decide if impact fees would be helpful in paying for some of the cost of these improvements.

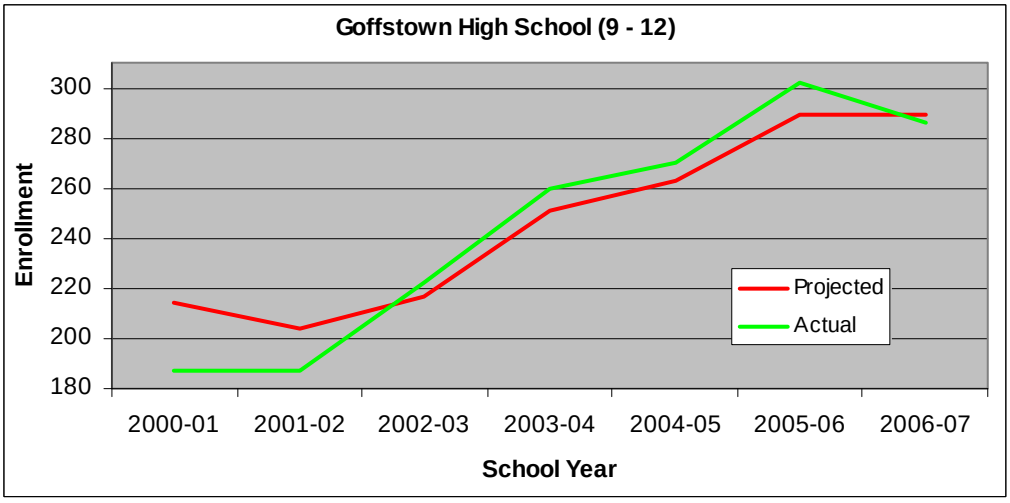
Estimating the number of school-age children per housing unit within a community is an ongoing and complex issue. Many communities across the state believe in the myth that every new single-family detached housing unit generates upwards of 2 new school-age children which need to be educated. This belief however has been proven to be flawed many times over.



Source: New Boston School District



Source: New Boston School District



Source: New Boston School District

In a recent study prepared by Russ Thibeault for the New Hampshire Housing Finance Authority, it was found according to the 2000 US Census, the typical New Hampshire housing unit actually generated 0.45 public school-age students.[22] Furthermore, this figure is expected to decline in the future. The reason why many communities believe single-family housing units generate higher numbers of school-age children is the result of the baby boom generation. Between 1990 to 2000, the baby boom generation consisted of a larger number of parents with school-age children. However, this age group actually peaked by 2005 and today the evidence now supports minimal impacts on public schools due to the increased supply of housing in New Hampshire. Rather than each housing unit creating an additional two school-aged children, the reality is that:

- Only 26 percent of the state's occupied housing units are occupied by a married couple with children under the age of 18 (including children not yet enrolled in school).
- Thirty-three percent of the state's occupied housing units consist of a household head aged 55 or over – unlikely to have school age children.
- Twenty-four percent of the state's occupied housing units have only one person living in them.
- Thirty-one percent of the state's occupied housing units are occupied by non-family households, meaning no relatives, children or otherwise, occupy the unit.[23]

As indicated by the school enrollment figures statewide, as well as for New Boston, many of the baby boomer generation's children are now graduating from public school systems. School-age populations are expected to peak in 2005 statewide and gradually decrease going forward in the future. This trend is supported by the fact that first grade school enrollment is dramatically lower today. In addition, total public school enrollment is now declining modestly throughout New Hampshire. While the actual enrollment figures and projections for New Boston (as summarized in this report) do not show a dramatic decrease among the first grade population at the NBCS, there have been slight decreases in the total number of kindergarten students in the past, and the projections indicate the possibility that New Boston will progress along the same lines as the state, only a bit slower.

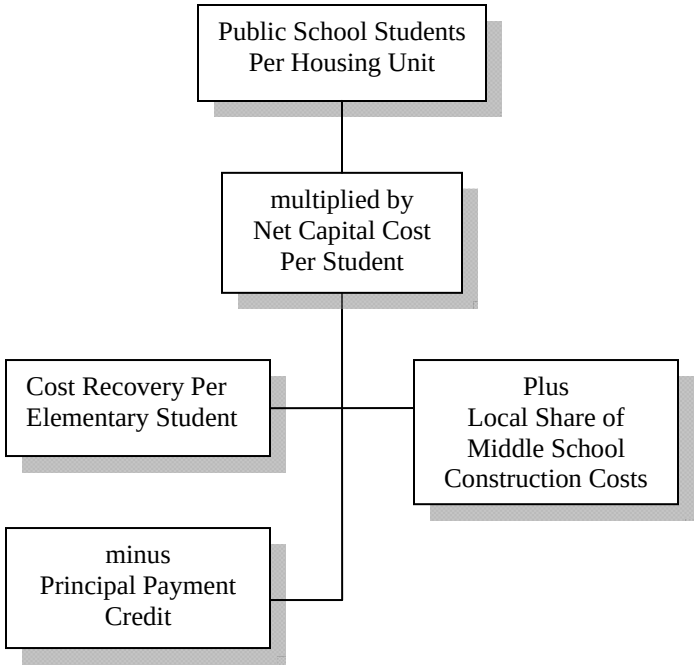
The New Hampshire Housing Finance Authority's study concludes that multi-family housing units generate even fewer school children per unit while providing a diverse housing stock. Single-family units generate 0.54 students per unit, two-family units 0.38, three or four unit buildings 0.34, five or more unit buildings 0.21 and mobile homes 0.34, for an average of 0.45 children per unit. Additionally, local data collected from Bedford, Hudson, Lebanon and Rochester for housing units built between 1998 and 2004 indicate that condominiums generate only 0.12 students per unit. Thus, not all housing units are creating the same amount of school enrollment. Overall, new single-family detached, two-family, multi-family consisting of three or more units, and mobile homes are not generating the burdensome growth in school population many believe they are.

[22] Housing and School Enrollment in New Hampshire: An Expanded View, May 2005.
[23] Ibid.

In the future, the New Boston School District should consider conducting a similar study to determine if the findings of the New Hampshire Housing Finance Authority study hold true for New Boston and if so, adjust the Town and School District's capital improvement programming accordingly. Developing localized standards which provide a reliable estimate of the number of public school students per housing unit would be a useful tool for the School District in forecasting future enrollment and impact fee development.

In addition, if the School District proceeds with the construction of portable classrooms at the NBCS in the near future and the community votes to support the construction of a new middle school, it is recommended that the Town and School District consider establishing a School Impact Fee. This fee would be based on current public school student generation rates per housing unit, local construction costs, and the LOS standards developed by this report.

A methodology to calculate New Boston's school impact fee is recommended in the following figure. Basically, it should include a cost recovery component for the portable classroom additions and an incremental expansion component for the proposed new middle school. A credit for future payments on the General Obligation bond would also need to be included in the fee calculation.



Source: Based on work developed by TischlerBise

Recommendations:

1. Utilize the School District's current *operating cost per capita* (FY 2006) of **$899.19** per person as the District's LOS standard in the Town's fiscal impact model. This ratio can be easily calculated on an annual basis by dividing the District's total annual expenditures by the current population of New Boston. It provides a year to year benchmark that can be used to determine what the School District's future operating costs are provided NBCS maintains the same LOS, staff size, programs and services as provided the year before. This ratio could take into account the increased costs to the School District for providing the same level of service in the future.

2. Do not utilize the NBCS's existing *total personnel-to-population ratio* of **8.11** or the current *full-time professional staff (teachers and specialists)-to-population ratio* of **7.71** as an LOS of the School District in the Town's fiscal impact model or as an LOS for impact fee calculation purposes. This LOS only offers a rough guideline to estimate the need for school facilities and services within the community and as such provides a weak fiscal impact indicator.

3. Consider utilizing the State Department of Education's *cost per pupil per district ratio* which is currently **$8,291.49** for preschool and grades 1 through 6 as an LOS standard in the Town's fiscal impact model or as an LOS standard for impact fee calculation purposes. This ratio is published annually and provides a useful measure of the educational cost per pupil in elementary school within the community. The only downside in the use of this published ratio is that the State subtracts tuition and transportation costs from current operating expenditures, and then divides the total by the average daily attendance. Taking out transportation costs does provide a true reflection of the School District's annual operating costs. Also, the NH Department of Education does not calculate a *cost per pupil* for grades 7 & 8 or 9 to 12 for New Boston. However, these costs are available directly from the New Boston School District each year and as such offer a useful year-to-year benchmark and LOS that can be used to determine future educational costs.

4. Consider utilizing the following additional ratios: *student teacher ratio* and *maximum pupil per classroom.* The NH Department of Education publishes *student teacher ratios* annually. For the NBCS the current ratio is **14.1:1** based upon a total enrollment of 436 students and a total of 31 teachers. Because statewide averages are also published this ratio provides a useful benchmark and as such it could be used as an LOS standard for the school. In addition, the School District's local standard of a maximum of **21** students per classroom for grades K-2 and below and a maximum of **25** students per classroom for grades 3-6 could also be employed as an LOS in the Town's fiscal impact model.

5. In determining the facility capacity and expansion needs of the NBCS, the following two ratios can be used for school impact fee calculation purposes: *average classroom size* or *gross floor area (i.e. square feet (SF) per pupil)* based on classroom type, and *site acreage per pupil capacity*. Basically, the NH Department of Education

recommends minimum SF/pupil standards and minimum total SF standards based upon various types of classrooms, rooms and laboratories within New Hampshire schools. These standards are easily adaptable for impact fee calculation purposes.

According to the Principal, the NBCS was built with core facilities (classrooms, library, gym, cafeteria, etc.) to house an ultimate enrollment of **600** students. A recent feasibility study of expanding the school building to accommodate grades 7 & 8 was completed by the School District. While this study has now been completed, additional studies completed in the future should provide a more detailed breakdown of the building's capacity based upon the State's SF/pupil standards. In addition, an estimate of the minimum land area or site acreage per pupil required to expand the NBCS to accommodate K-8 grades should be determined. Typically for elementary schools, the NH Department of Education recommends a minimum of 5 acres, plus an additional acre of land for each 100 children of projected maximum enrollment. One of the key decisions which will need to be made by the School District and the community regarding the recently completed feasibility study is the minimum state SF and site acreage requirements adequate or should New Boston consider a higher facility standard or LOS for the community.

6. Lastly, for impact fee calculation purposes, it will be necessary to calculate *public school age student generation rates per housing unit* within the community. This is an essential requirement in developing a School Impact Fee. Typically, it is accomplished by developing local multipliers based upon the number of occupied units and adjusted proportionately so that enrollment predicted by the enrollment multipliers equal the actual New Boston public enrollment for K-6 or K-8 if community votes to fund a new middle school.

<u>Other Town Administrative Services</u>

There are a number of offices and Town Departments which are critical in providing services to the Town of New Boston in addition to the Departments already addressed in this report. These additional offices and Departments include:

- Assessing Office
- Bookkeeper
- Building Department
- Emergency Management
- Health Department
- Planning Department
- Selectmen's Office
- Tax Collector
- Town Administrator
- Town Clerk
- Welfare Administration

There are also a number of administrative activities or functions which may be carried out by any one of these offices or Departments as well as outside agencies under agreement or contract with the Town. All of these activities are critical to or are required in the provision of services to the Town of New Boston. Some of these functions include:

- Buildings Maintenance
- Elections
- Legal Counsel
- Personnel Administration
- Cemetery
- Insurance
- Regional Planning
- Street Lighting
- Animal Control
- Conservation/Open Space/Forestry
- Patriotic Purposes

While it is not possible or practical to develop an LOS for each of the activities or Departments identified above, as a group each of the activities or offices functions in a general administrative capacity and as such can be considered together under one overall category identified as General Government Administration.

The total expenditures over the past five fiscal years (2003 through 2007) of all the offices and Departments identified under General Government Administration is provided in the following table. As can be seen by this data, the Town's largest general administrative cost centers are Personnel Administration, Executive, Planning and Zoning, and the Highway Block Grant. The Highway Block Grant is a source of state funding which is spent in addition to the Highway Department's actual expenditures.

At the other end of the scale, to date the Town of New Boston has experienced no actual expenditures with respect to Animal Control and very little costs for Conservation/Open Space/Forestry as well as the Town's Health Officer. Overall, New Boston's General Government Administration expenditures have been increasing each year with a total increase of $466,726 or 78 percent between 2000 and 2006. This represents on an annualized basis an average cost increase of over 11 percent per year.

Over roughly the same time period, the Town of New Boston's total population grew 22 percent or 917 people from 4,138 in 2000 to 5,055 in 2006. This population increase represents an annualized rate of growth of 3 percent per year. At the current rate of spending and population growth, the Town's General Government Administration *operating cost per capita* in FY 2006 was **$210.74** per person. In FY 2000, this *operating cost per capita* was **$144.65** per person.

General Government Administration Expenditures, 2000 through 2006

FY	2000	2001	2002	2003	2004	2005	2006
Total Executive	$107,303.34	$108,927.73	$125,385.63	$138,938.21	$144,039.50	$147,961.08	$151,433.20
Total Elections	$31,960.99	$29,995.47	$29,425.12	$30,145.49	$41,967.79	$40,474.51	$51,553.89
Financial Admin	$54,190.39	$69,304.31	$63,013.94	$55,854.28	$56,694.67	$60,058.17	$62,374.13
Reval. of Property	$28,670.36	$34,680.45	$39,087.00	$34,145.70	$34,284.60	$36,284.50	$43,296.25
Legal Expenses	$26,211.70	$24,107.54	$25,982.37	$5,031.08	$12,096.60	$27,935.78	$28,804.42
Personnel Admin	$156,655.44	$168,952.34	$215,863.64	$217,617.54	$249,100.02	$288,168.14	$330,752.55
Total Planning and Zoning	$59,261.88	$70,690.66	$73,954.25	$75,839.47	$89,740.51	$88,516.91	$96,667.94
Gov't Buildings	$27,273.18	$65,498.12	$35,548.26	$34,887.08	$44,135.10	$45,438.69	$55,082.88
Cemetery	$17,954.50	$20,050.00	$20,850.00	$25,761.70	$24,380.00	$24,010.00	$24,695.00
Insurance	$27,009.00	$28,273.00	$31,351.60	$33,232.86	$33,770.02	$37,863.07	$42,127.28
SNHPC	$2,364.00	$2,465.00	$2,614.00	$2,769.00	$2,869.00	$2,971.00	$3,059.28
Building Inspection Dept.	$26,162.05	$26,153.26	$29,582.37	$40,261.98	$43,925.93	$37,914.53	$37,932.79
Emergency Management	$2,396.31	$2,770.77	$4,408.03	$2,499.15	$3,385.50	$2,886.37	$5,631.42
Highway Block Grant	$7,568.99	$133,228.38	$107,188.13	$150,000.00	$146,137.12	$165,000.00	$86,553.69
Street Lighting	$4,260.08	$4,299.10	$3,676.72	$3,706.99	$3,850.66	$4,693.18	$4,844.71
Landfill	$4,000.00	$7,497.67	$9,850.24	$3,582.73	$4,073.42	$14,798.61	$9,773.10
Septage Agreement	$5,637.00	$5,820.00	$5,940.00	$6,027.00	$6,181.00	$6,263.00	$5,378.00
Health Officer	$50.00	$250.00	$500.00	$550.00	$1,030.00	$1,030.00	$1,046.15
Animal Control	$0	$0	$0	$0	$0	$0	$0
Health and Welfare	$6,438.15	$8,876.30	$10,296.91	$15,428.86	$21,844.83	$18,532.86	$18,564.75
Patriotic Purposes	$3,205.89	$5,608.24	$4,360.06	$4,268.38	$4,348.33	$4,303.94	$5,454.73
Conservation/Open Space/Forestry	$0	$0	$0	$496.51	$105.00	$433.68	$273.80
Totals	$598,573	$817,448	$838,878	$881,044	$967,959	$1,055,538	$1,065,299

Source: Town of New Boston, Actual and Budgeted Expenses and Encumbrance Report

This ratio of total *operating cost per capita* could be employed as a possible LOS standard reflecting the provision of General Government Administrative services to the community as the Town's total expenditures for these services have been increasing annually since 2000. In addition, future operating costs of the Town's General Government Administration can be projected by extrapolating historic rates of expenditures forward.

At the present time, the total number of staff employed by the Town classified as General Government Administration consist of the following:

Town Clerk	2 part time
Bookeeping	1 part time
Tax Collector	1 part time
Selectmen/Assessing	2 full time
Town Administrator	1 full time
Building Dept.	2 part time
Fire Inspector	1 part time
Planning Dept.	2 full time & 1 part time

Based on New Boston's 2006 population of 5,055, the total number of full time personnel employed by the Town within General Government Administration is equivalent to **0.99** staff per thousand population, while the total number of personnel (both full and part time) is **2.37** staff per thousand population.

General Government	Personnel	Staff Per 1,000 Population (2006)
Full-Time	5	0.99
Part-Time	7	1.38
Total Employees	12	2.37

This *personnel-to-population ratio* can be employed as a possible LOS indicator of the provision of the Town's General Government Administration services. As such, it provides a baseline standard which the Town of New Boston can maintain in the provision of general government administrative services to the community in the future. In addition, it can be used as a service base for impact fee calculation purposes.

However, because there are no national, state or regional recognized standards, this ratio must be used with caution as a performance measure or benchmark in determining appropriate staffing levels. In addition, it is not clear that a strong relationship exists between population size and the number of employees in the provision of certain general government administrative services. A low number of general administrative service employees per 1,000 population for example could simply reflect a limited number of services or a greater than average tendency to contract for such services within a community.

In general, population size only provides a general clue to likely demand for services. In 1997, utilizing raw data from the U.S. Census of Governments, the SNHPC prepared a table showing statewide *personnel–to-population ratios* for a number of municipal

Departments, including General Government Administration in its *Impact Fee Development for New Hampshire Communities* report.[24]

The results statewide for towns in New Hampshire indicated there was on average **1.24** full time and **1.80** full time equivalent (FTE) employees per thousand population in General Government Administration.[25] New Boston's 2006 personnel-to-population ratio of 0.99 for full time employment is less than the statewide average in 1997, but the ratio of 2.37 for total employment exceeds the statewide average for FTE.

In terms of developing useful service standards for the Town's General Government Administration, additional LOS standards can be developed which focus on the space needs (gross square footage) of the Town's General Government Administration offices and Departments as well as the capacity and land needs of the Town Hall and the Historical Building in which these services are delivered to the community.

Town Hall

The Town Hall is located on Meetinghouse Hill Road in the Town Center, adjacent to the New Boston Historical Society. The building was originally built as a Town Hall in 1887, with a traditional two-story wood frame. The first floor houses offices and data and record storage. The first floor also contains a conference room where many town board and committee meetings occur. The second floor and third floors, which are not handicapped accessible, contain additional meeting and office space. The offices located in the building are those of the Town Clerk, the Bookkeeper/Tax Collector, the Planning Department, the Assessing/Selectmen, the Town Administrator, the Building Department/Fire Inspector, and the Recreation Department. Standard hours of operation are Monday through Friday from 9 a.m. to 4 p.m., as well as 4 p.m. to 8 p.m. on Thursdays for the Town Clerk, but departmental hours may vary.

The 3,600 square foot building is adequately constructed, insulated, and outfitted with appropriate smoke/heat detection and new sprinkler systems. The Departments are linked to a network server and new phone systems have been installed. Other recent improvements to the building since 2000 include new boilers, a new fire and alarm panel, and a new slate roof.

According to the Town's Master Plan and recent discussions with the Town Administrator, the Town Hall is currently overcrowded and in need of a major redesign. In addition, there is limited public meeting space available within the building which is handicapped accessible.

The Town Hall is scheduled to undergo a renovation in 2011 and approximately $400,000 has been scheduled in the Town's CIP to accomplish this. Renovation of the building will incorporate future growth considerations and better allocate space among

[24] Impact Fee Development for New Hampshire Communities, Southern New Hampshire Planning Commission, July 1999, pgs. 30 and 31.
[25] Ibid., page 30.

the town's departments. This will also include improvements such as new floor tile and upgraded wiring.

A floor plan for the proposed renovation has been prepared, but according to the Town Administrator it is very fluid and there have been no clear decisions yet regarding exactly where departments are going to go. The focus in the development of the floor plan has been whether all the departments now in the building could stay if space was used utilized more efficiently. The existing conference room in the building is envisioned to be moved upstairs with the addition of an elevator to the building. It is not clear whether the Recreation Department which is currently located upstairs within the building would need to be moved elsewhere or if other Town employees would need to be moved upstairs. According to the Town Administrator, there are no plans to convert the Historical Building to a town office space, but it certainly could happen in the future.

Based upon the existing gross square footage of the building and the current number of employees within General Government Administration currently conducting business within the building, the following ratios of *gross square foot per employee* can be calculated.

General Government	Personnel	Gross Sq. Ft. Per Employee
Full-Time	5	720
Part-Time	7	514
Total Employees	12	300

Assuming a minimum gross floor area of 300 square feet per employee, the New Boston Town Hall is currently being used at its maximum capacity. As a result, as new development proceeds in New Boston and the personnel requirements of the Town's General Government Administration offices grow, existing space within the Town Hall will continue to be consumed if the Town Hall is not expanded or improved in the future.

Utilizing a recommended population ratio of 2.37 and a gross square foot of 300 feet per employee as the Town of New Boston's General Government LOS, this would indicate that in order to accommodate a projected population of 5,352 people by 2010, a minimum of an additional 300 square feet of office space would need to be added to the building.[26] This would fall close to or within a year of when the Town's CIP has scheduled the Town Hall renovation improvement to take place.

However, this estimate does not take into account the need to build future capacity into the building to address the Town's long term future growth. Assuming the Town of New Boston desired to expand the Town Hall office space to accommodate the Town's projected population of 6,675 by the year 2025, then a minimum of 1,200 additional square feet of office space would need to be added to the building or provided in a new facility.

[26] Town of New Boston Master Plan, SNHPC population projection, page. 26

If the Town proceeds with the $400,000 major renovation of the building in 2011 as planned, it is possible to use an incremental cost expansion approach in developing an impact fee for the Town Hall. The intent would be to use the impact fee revenue to expand the Town Hall or build a new facility, as needed to accommodate new development, based on the current cost to provide the capital improvement. This approach is best suited for public facilities that will be expanded incrementally in the future. Specifically, the fee is allocated on a per capita basis for residential development and on a per employee basis for nonresidential development

One of the key determinations that will need to be made in applying this impact fee approach is a decision as to what the existing capacity of the Town Hall is now under the recommended LOS. Basically, the difference between the capacity of the Town Hall now (under the recommended LOS) and future capacity needed to maintain that standard, is the growth-related share of the capital facility cost to improve the Town Hall. If it is found, however, that the size of the Town Hall (as determined under the recommended LOS) is less than what is actually provided, then any "deficit" in the capacity of the building must be funded from non-impact fee sources, and the costs of this portion of the capital improvement project can not be allocated to new development within the community.

Therefore, it is important that the Town of New Boston make its own objective assessment of the current and future demands on the Town Hall and establish the desired LOS for the General Government Administration activities which take place within the building.

Historical Building

The Historical Building is located in the original fire station and former Town Office, adjacent to Town Hall. The building is used by the New Boston Historical Society, which holds meetings every other month. The building is open to the public every Thursday from 12 to 2 p.m. and houses historical artifacts from the Society's collection.

As reported by the Town Administrator, the Town of New Boston has not made a decision yet regarding the future use of this building as a town office. It is anticipated that this decision may be made when the final layout for improvements to the Town Hall are completed. If there is a capital cost associated with improving the Historical Building, these costs can be rolled into the Town Hall project in terms of calculating the Town's impact fee for this facility. Otherwise, if no decision is reached and improvements to the Historical Building are not combined with the Town Hall renovation, it is recommended that the impact fee not address this building.

The following is a simplified example impact fee calculation using the LOS standards recommended in this report. For the purposes of this calculation, it is assumed that the current personnel and space available for the Town's general government administrative offices is not adequate for current needs, and that the same ratios can be maintained to serve the Town's future population. In this simplified example, it is also assumed that

non-residential development in New Boston is a negligible portion of the demand on the Town's administrative services.

	Current 2006	Future 2015
Population of the Town	5,055	5,834
Total Employees	12	14
Employees Per Thousand Population	2.37	2.37
Gross Area Office Space (sq.ft.)	3,600	4,200
Gross Area Per Employee	300	300

Facility Demand Attributable to Growth:	600 sq. ft.
Facility Development Cost Per Square Foot:	$667
Total Cost of Expansion:	$400,000*
Population Increment Served by Expansion:	799
Per Capita Facility Cost:	$500
Single-Family Home - Average Persons Per Unit:	2.88**
Impact Fee per Single-Family Unit	$1,440

*Note: facility cost based on CIP estimate which includes an elevator
**Note: 2000 Census

In developing the Town's actual impact fee for this facility, this simplified example fee calculation would need to be modified to reflect the capacity demand and costs attributable to new non-residential development within the community as well as residential. In addition, if the town obtains or uses any grants or other non-property tax generating funds for the Town Hall renovation, these amounts would need to be reflected as credits in the impact fee calculation.

APPENDIX

Department Head Comments

New Boston Fire Chief:

Hi Jack,

I gave some thought to the impact of these proposed developments as well as others, is the magic point in which the Fire Department will be required to go to a full time staff as a result of the number of calls and the inability of our volunteers to give up more and more of their personal time.

I think based on current performance metrics of our department that the point will be in the area of 600 calls annually. I am not putting this number in cement, just that it is the point at which we will be looking seriously at full time employees. It could very well be 550 or 700.

The more important point is that when we reach that point it will not be an adjustment to an existing operating budget, it will be a major financial impact to the tax payers. Again you have the metrics for the last 10 to 12 years in terms of number of calls and budget growth.

An initial staffing of personnel would probably be 3 personnel, a supervisor, possibly Chief officer, who may become reality even before the other personnel are needed, and 2 firefighter/emts. I would guess that the change will result in a budget that would grow by up to 300% of the current budget.

When we reviewed the other departments and the result was an increase of an additional employee or a truck/car, it was because they already have their department infrastructure in place where in the case of the fire department we will have to initiate or build the infrastructure.

These were my thoughts anyway,

Dan

Insert Library

Recreation Department

Town Administrator

Transfer Station