

Canterbury 2025 Capital Improvements Program (CIP)

The Capital Improvements Program (CIP) is a program budget and schedule that outlines a series of planned municipal expenditures for capital improvements. It is a plan that shows how, when, and at what cost Canterbury intends to address its capital needs in the future to accommodate existing and predicted needs.

Understanding Capital Improvements

In the context of the CIP, capital improvements are characterized by specific criteria to ensure they align with the town's financial goals:

- **Minimum Cost Requirement:** Each initiative must incur a total cost of no less than \$10,000, setting a benchmark for substantial investments.
- **Useful Life:** Projects should have a minimum useful life of two years, ensuring that funds are directed towards sustainable, long-lasting enhancements.
- **Exclusion from Operating Budget:** Capital projects must be distinct from the regular operating budget, facilitating independent tracking and planning of major expenditures.
- **Potential Bond Financing:** Any initiative that may necessitate borrowing will be classified under this definition, protecting the town's financial stability while pursuing essential improvements.

Expenditures identified in a CIP may include:

- **Major Equipment Purchases:** Acquiring tools and machinery essential for municipal functions.
- **Vehicle Acquisitions:** Enhancing or expanding the town's vehicle fleet to better service delivery.
- **Special Studies:** Initiatives aimed at gathering data to guide future planning and infrastructure requirements.
- **Land or Easement Acquisitions:** Securing vital land for upcoming developments or public purposes.
- **Infrastructure Development:** Constructing or upgrading key facilities, including roads, public buildings, and recreational areas.

It is essential to understand that ongoing operational expenses, including staff salaries and everyday supplies, are not categorized as capital improvements. However, specific maintenance activities might qualify, based on their costs and anticipated lifespan.

Objectives of the CIP

The key objectives of the 2025 Canterbury CIP are as follows:

1. Stabilizing Tax Rates and Budgets:

A primary aim of the CIP is to reduce variability in property tax rates and overall budgets. By planning significant capital investments in advance and distributing costs over several years, the town can prevent drastic increases in financial burdens on its residents. Strategies such as bonding, which involves borrowing funds to be repaid over time, along with the creation of capital reserve funds, ensure that capital requirements are met without straining the budget. New Hampshire statute RSA 33:4-a imposes limits on the amount of bonded debt the town can take on, promoting responsible fiscal management.

2. Serving as a Management Tool for Department Heads and Town Officials:

By compiling all capital improvement needs into a single document, the CIP offers a comprehensive perspective on the town's future infrastructure demands.

3. Collaboration between Selectmen and the Budget Committee:

The CIP is an advisory document providing input to the Budget Committee and Board of Selectmen. While the CIP suggests potential projects, its recommendations are not mandatory.

Capital Reserve Balances (as of 03/31/2025)

Capital Reserve Fund	Balance
Highway Truck	\$ 96,730.82
Highway Equipment	\$103,197.93
Highway Grader	\$ 23,020.90
Highway Dept. Loader	\$154,922.44
Highway Backhoe	\$ 3,287.70
Firefighting Equipment	\$ 41,743.24
Fire Truck	\$ 93,420.79