



TOWN OF BARRINGTON

NEW HAMPSHIRE



Town Hall 2019

Frequently Asked Questions

What is the plan?

To design-build a new, energy efficient, Town Hall under 10,000 ft.², for \$1.9 million with NO tax impact. The design-build process is a popular, cost-effective, approach to constructing public infrastructure. The Town has spent over \$300,000 for previous Town Hall efforts on architectural designs and plans with no building to show for it. Using these previous plans and a design-build process limits the need to spend additional money on the design phase of this project. A design-build project streamlines the process and saves the Town money. Most importantly, this project will have NO tax impact on the residents of Barrington.

How long has this Select Board been working on a Town Hall project?

For more than a decade Barrington Select Boards have worked diligently to address the needs of a Town Hall. This includes multiple, narrowly defeated, attempts with a variety of approaches. The 2018 Select Board, with the previous efforts in mind, set addressing the Town space needs as their primary goal on April 9, 2018. Additionally, the Board has emphasized transparency for the Town Hall project this year. In September of 2018, the Board was approached by a developer with a land offer to the Town for municipal infrastructure. Through the end of the year, the Select Board worked through the details of the offer, weighed options for moving forward, and finalized a plan with NO tax impact. Many considerations contributed to the process with special emphasis to the taxpayers and transparency.

How was 10,000 ft.² decided?

As part of previous Town Hall attempts, multiple space needs assessments have been performed. These space needs have been updated to reflect current staffing and future needs. For a detailed breakdown of the proposed space needs, see the Barrington Town Hall Space Needs document.

How do we know this project will cost \$1.9 million?

In short, the Select Board used a variety of sources and experts to anticipate that a complete project cost would be \$200/ft² or less for less than 10,000ft². The Town has spent over \$300,000 on designs and plans for a Town Hall building; this has given the Select Board confidence in the space needs and design constraints for this project. A design-build project is inherently more cost effective than employing separate architects, engineers, and builders. The Town of Farmington recently completed a design-build public safety building (Police/Fire/EMS) at \$120/ft² (20,000 ft.² at \$2.4 million). Farmington Town Administrator Arthur Capello explained that, “We looked at having it designed but the cost of that and the building was over \$4 million”. In proposing this project, the Select Board has committed to completing it on budget for \$1.9 million.



This proposed project has **NO Tax Impact!**
Vote on Articles 4 & 5

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How will this have NO tax impact?

This plan utilizes \$1,025,000 of money the town has saved and is available (unexpended appropriations and unanticipated revenue) without dropping below the Department of Revenue Administration's recommended savings (fund balance). In addition, this plan includes an \$875,000 loan (bond) with a repayment schedule equal to the current amount spent on rented space (Town Hall and storage). This \$65,000 annual expense would transfer to loan repayment once the new Town Hall was occupied. After the loan is paid off, the Town will own the new Town Hall.

What is fund balance?

In short terms, the Town's fund balance is a savings account. In more detail, the specific fund balance being referred to is unreserved/unassigned fund balance, meaning the money has not been specifically reserved. Currently, the Town's unreserved fund balance is approximately \$5,066,752 (17.2%) of the regular general fund operating expenditures). The New Hampshire Department of Revenue Administration recommends a fund balance of 8%-17% of the regular general fund operating expenditures for cash flow and emergency reserves. The Select Board has routinely targeted the midpoint (12.5% or \$3,683,126 for 2018) of the DRA recommended range.

There are two main ways that a fund balance grows; unexpended appropriations and unanticipated revenue. Each year the voters approve an operating budget bottom line through 'gross appropriation'; at the end of the year, the appropriations expire and are automatically returned to the Town's unreserved fund balance. Secondly, revenue in excess of projections routinely contributes to fund balance (e.g. more vehicle registrations than anticipated). For 2019, the Town's fund balance is approximately \$1,383,626 above the recommended midpoint. Annually, the Select Board recommends that the voters approve appropriations from fund balance for various capital projects as a way to meet the Town's needs without raising the property tax rate. The Select Board recommends using \$1,025,000 of the available and unreserved fund balance (Article 5) to ensure the 2019 Town Hall project has NO tax impact.

What is a Capital Reserve?

In short terms, a capital reserve fund is an account where the voters can set money aside for a specific project. For this project, Article 5 asks the voters to take \$1,025,000 from the general savings account to start a capital reserve for the purposes of building a town hall. Money appropriated to a capital reserve stays in the capital reserve until used. A capital reserve fund is a tool that can be used to finance capital projects. State law for capital reserve funds can be found at RSA 35.

If the Town Hall project is not approved, will our taxes go down?

In short terms, no. All unexpended appropriations and unanticipated revenue are automatically added to the Town's unassigned fund balance (RSA 31:7). If the voters do not adopt Article 5 (the



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\$1,025,000 fund balance contribution), the money will remain in the Town's unassigned fund balance for future use with an approved Town Meeting vote.

Why wouldn't we continue renting a Town Hall?

The Town began renting the current space as a temporary solution to continue offering municipal services. Each year, the Barrington taxpayers spend \$65,000 on rent with little to show for it. Since 2011 the Town has spent over \$411,000 renting space. This plan uses that \$65,000/year to build a Town Hall that will last more than 50 years. There is significant risk involved with a month-month lease on a building which provides essential municipal services. This is a financially responsible proposal which meets the Town's needs with NO tax impact.

Where will the new Town Hall be?

A developer has offered the Town a six-acre lot (with setback and a long driveway) along Calef Highway (Rte. 125) less than a ¼ mile from the current Town Hall (across from 264 Calef Hwy.). This is a sizeable lot on top of the hill which would support future growth and is easily accessible to residents. This project would further centralize economic development along 125 and expand the tax base while maintaining Barrington's rural character.

Why is the developer giving away the land for free?

The developer purchasing the 212 acres of property will be bringing a commercial and residential development plan to the Planning Board in February. The Planning Board is an independent board of residents which reviews all proposed developments including emphasis on regulations and ordinances. This plan will include commercial lots along 125 and ~55 residential lots in the back acres. In the offer to the Select Board, the developer explained that the benefit would be the added value to the remaining commercial lots. In his own words, "I do not want to fool anyone, 'what is in it for me' is a great draw to the other commercial uses that will be on the 4 or 5 commercial lots. Having the town hall will attract uses, help land sales and create business on a road that it was planned for... I would offer a lot that was mainly very flat and large enough to offer a park setting with room for future expansion." The planned development project further centralizes commercial development along 125 and makes use of conservation subdivisions for the residential lots.

Why are we being asked to decide on two significant capital projects this year?

The Town needs a Town Hall to replace rented space. The Select Board has been working for over a decade on Town Hall projects including more than 10 proposals being voted down. The Library has also identified the need for more and updated space. The elected Library Trustees and the non-profit fundraising group have spent years planning a new library project; raising nearly \$500,000 in private contributions for their project. The Select Board worked diligently to structure the new Town Hall project to have NO tax impact in order to allow the voters to decide on these projects independent of one another.



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Why do we have to vote on two separate articles for the same project?

The complexity of the bonding process requires the separation of this project into two warrant articles. To achieve a project with NO tax impact, the Select Board are asking the voters to approve spending \$1,025,000 of money the Town already has and to bond an additional \$875,000. Although both articles must pass for this project to proceed, they are separate for legal clarity.

Why is the wording of the warrant articles so complex?

In short terms, the legal language required in the warrant articles can be confusing. The New Hampshire Department of Revenue Administration requires very specific language for any warrant article asking the voters to approve appropriations. Additionally, the bond article (4) also has requirements from the New Hampshire Municipal Bond Bank. The Select Board has very limited discretion how the warrant articles are worded. The intent of Articles 4 & 5 is to build a new Town Hall with NO tax impact and both articles must pass for this project to move forward.

What if both Article 4 and Article 5 do not pass?

If both articles do not pass, this project will not move forward until all necessary funding is secured. The second to last line of Article 5 reads, "No funds will be expended to start construction until the total sum needed is appropriated by the Town". Article 4 will require 60% of the vote for approval and Article 5 will require 50%.

I have more questions.

If you have additional questions, please start by visiting www.barrington.nh.gov/townhall. You can also call the Town Hall at (603) 664-0146.



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