

**Town of**  
**MERRIMAC, MASS.**

**Report of the**  
**CAPITAL PLANNING COMMITTEE**

**FY2018**

**Summary of the recommendations  
to be presented at the Special and Annual Town Meetings**

**Monday April 24, 2017**

**7:30 P.M. and 7:45 P.M. respectively**

**At the Dr. Frederick N. Sweetsir School**

## **THE TOWN OF MERRIMAC**

### **CAPITAL PLANNING COMMITTEE**

As in past years, town departments were requested to submit documentation supporting capital items for consideration for Fiscal Year 2018 and anticipated capital items through Fiscal Year 2022. Capital item requests must have an anticipated life duration of at least five years and an initial cost of \$10,000 or more. During the months of February and March, 2017 the committee met with department heads to review supporting documentation. Generally, the criteria applied in developing recommendations in order of priority are: a) necessary to respond to State or Federal mandates; b) public health and/or safety consideration; and c) operational necessity. Attached is a FY2018 Summary together with anticipated needs through FY2022.

Following discussion, The Capital Planning Committee voted to recommend the following items to the Town Meeting to be held on April 24, 2017 for capital expenditures in Fiscal Year 2018:

1. Fire Department: Purchase of a used Ladder Truck (\$205,000) and purchase of computer equipment (\$12,000) from Free Cash. Vote 5-0. Purchase of Air Packs (\$141,364) via lease/borrowing. Vote 4-0
2. Highway Department: Purchase of 2 Wing Plows (\$30,000) from Free Cash. Vote 5-0
3. Water Department: To support transfer from Water Department Retained Earnings and Water Privilege to fund Water Infrastructure and Water Meter Replacement (\$255,000). Vote 5-0
4. Wastewater Department: To support transfer from Wastewater Department Retained Earnings for sewer meter replacement (\$30,000). Vote 5-0
5. Finance Department: Purchase of Accounting Software Package (\$40,000) from Free Cash. Vote: 5-0
6. Library: To support replacement of the roof (\$275,000) via a borrowing and HVAC Controls (\$20,000) from Free Cash. Vote 5-0
7. Playground Department: Request for Equipment and Fencing for new Playground from Free Cash (\$60,000). Vote 1-4
8. Public Safety: To support the construction of a Public Safety Complex (\$15,000,000.). Vote 5-0
9. Transfer from Free Cash: OPEB (\$150,000); Ambulance Stabilization (\$20,000); Capital Stabilization (\$82,024); Stabilization (\$60,000). Vote 4-0

Respectfully Submitted,

Janet Bruno, Chairperson

Rick Pinciario

Sandy Venner

Earl Baumgardner, Representing the Board of Selectmen

James Archibald, Representing the Finance Committee

Carol McLeod, Finance Director (Ex-Officio)

## FY2018 - Capital Planning Recommendations

### Summary

#### Free Cash

Total Available - Certified	\$	798,737
Capital Requests	\$	(307,000)
<b>Balance for Other Requests</b>	<b>\$</b>	<b>491,737</b>

#### Borrowing

**\$ 15,416,364**

#### Water Retained Earnings

Total Available - Certified	\$	195,614
Capital Requests	\$	(155,000)
<b>Balance for Other Requests</b>	<b>\$</b>	<b>40,614</b>

#### Water Privilege

Total Available	\$	123,544
Capital Requests	\$	(100,000)
<b>Balance for Other Requests</b>	<b>\$</b>	<b>23,544</b>

#### Wastewater Retained Earnings

Total Available - Certified	\$	691,741
Less I&I Reserved	\$	(424,891)
Capital Requests	\$	(30,000)
<b>Balance for Other Requests</b>	<b>\$</b>	<b>236,850</b>

Stabilization Balance \$ 750,495.37

Ambulance Stabilization \$ 34,536.82

Capital Stabilization \$ 216,435.86

**Total Stabilization as of 12/31/16** **\$ 1,001,468.05**

**FY2018 - Capital Planning Requests**

Description	Amount					Funding Source	Recommendation
	FY18	FY19	FY20	FY21	FY22		
<b>Police</b>							
Police Cruiser	\$ -	\$ 45,000	\$ -	\$ 45,000	\$ -	Free Cash	
<b>Sub-total Police</b>	\$ -	\$ 45,000	\$ -	\$ 45,000	\$ -		
<b>Fire</b>							
Used Ladder Truck	\$ 205,000					Free Cash	Yes 5 - 0
ATV	\$ -	\$ 25,000				Borrowing/Lease/Free Cash	
New Computers & Server	\$ 12,000					Free Cash	Yes 5 - 0
Air Packs	\$ 141,364					Borrowing/Lease/Free Cash	Yes 4 - 0
<b>Sub-total Fire</b>	\$ 358,364	\$ 25,000	\$ -	\$ -	\$ -		
<b>COA</b>							
Buiding Addition				???		Borrowing/Grants	
<b>Sub-total COA</b>	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>Highway</b>							
Wing Plows (2)	\$ 30,000					Free Cash	Yes 5 - 0
<b>Sub-total Highway</b>	\$ 30,000	\$ -	\$ -	\$ -	\$ -		
<b>Water</b>							
Water Infrastructure	\$ 225,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	Retained Earnings & Privilege	Yes 5 - 0
Water Meter Replacement	\$ 30,000	\$ 30,000				Retained Earnings	Yes 5 - 0
<b>Sub-total Water</b>	\$ 255,000	\$ 155,000	\$ 125,000	\$ 125,000	\$ 125,000		
<b>Sewer</b>							
Sewer Meter Replacement	\$ 30,000	\$ 30,000				Retained Earnings	Yes 5 - 0
<b>Sub-total Sewer</b>	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ -		
<b>Finance</b>							
Accounting Software	\$ 40,000					Free Cash	Yes 5 - 0
<b>Sub-total Finance</b>	\$ 40,000	\$ -	\$ -	\$ -	\$ -		
<b>Library</b>							
Roof Replacement	\$ 275,000					Borrowing	Yes 5 - 0
HVAC Controls	\$ 20,000					Free Cash	Yes 5 - 0
<b>Sub-total Library</b>	\$ 295,000	\$ -	\$ -	\$ -	\$ -		
<b>Town Hall</b>							
Replacement Windows		\$ 550,000				Borrowing/Grants	
Roof Replacement		\$ 550,000				Borrowing/Grants	
Repointing Bricks		\$ 375,000				Borrowing/Grants	
<b>Sub-total Town Hall</b>	\$ -	\$ 1,475,000	\$ -	\$ -	\$ -		
<b>Public Safety</b>							
Public Safety Complex	\$ 15,000,000	\$ -				Borrowing	Yes 5 - 0
<b>Sub-total Wastewater</b>	\$ 15,000,000	\$ -	\$ -	\$ -	\$ -		
<b>Sweetsir</b>							
Remove Asbestos Tiles		\$ 125,000				Free Cash/Borrowing	
Replace Lights with LED		\$ 50,000				Free Cash/Borrowing	
Replace Kitchen Equipment			\$ 150,000			Free Cash/Borrowing	
Replace Sewer Pump		\$ 15,000				Free Cash/Borrowing	
Replace Fire Alarm Panel			\$ 10,000			Free Cash/Borrowing	
Misc. Painting			\$ 150,000			Free Cash/Borrowing	
Replace PA System			\$ 100,000			Free Cash/Borrowing	
Facility Wide Infrared Scan			\$ 10,000			Free Cash/Borrowing	
Renovate Restrooms			\$ 200,000			Free Cash/Borrowing	
Repair/Seal Coat			\$ 75,000			Free Cash/Borrowing	
<b>Sub-total Sweetsir</b>	\$ -	\$ 190,000	\$ 695,000	\$ -	\$ -		
<b>Donaghue</b>							
Classroom Univent			\$ 15,000			Free Cash/Borrowing	
Replace Stairwell Treads			\$ 80,000			Free Cash/Borrowing	
Facility Wide Infrared Scan			\$ 10,000			Free Cash/Borrowing	
Classroom Electrical Upgrade		\$ 30,000				Free Cash/Borrowing	
Misc. Painting			\$ 150,000			Free Cash/Borrowing	
Replace PA System			\$ 100,000			Free Cash/Borrowing	
Renovate Restrooms			\$ 100,000			Free Cash/Borrowing	
Repair/Seal Coat			\$ 75,000			Free Cash/Borrowing	
<b>Sub-total Donaghue</b>	\$ -	\$ 30,000	\$ 530,000	\$ -	\$ -		
<b>Playground</b>							
Equipment	\$ 45,000					Free Cash/Borrowing	No 1 - 4
Fencing	\$ 15,000					Free Cash/Borrowing	No 1 - 4
<b>Sub-total Cable TV</b>	\$ 60,000	\$ -	\$ -	\$ -	\$ -		
<b>Total Requests</b>	\$ 16,068,364	\$ 1,950,000	\$ 1,350,000	\$ 170,000	\$ 125,000		

## Tax Impact on Home Valued at \$339,000

Resulting from Debt Exclusions and General Overrides

**Debt Exclusions** - Impact on property tax rate is for the duration of debt service - usually 20 years for major capital expenditures.

	Amount	FY2014	FY2015	FY2016	FY2017	FY2018
Sweetsir Building and Equipment	\$ 875,000	\$ 0	Complete	Complete	Complete	Complete
Pentucket Capital Project	\$ 12,640,000	\$ 19	Complete	Complete	Complete	Complete
Town Hall Renovation and Addition	\$ 2,850,000	\$ 95	\$ 86	\$ 84	\$ 80	\$ 73
Construction of New Library	\$ 2,351,263	\$ 81	\$ 73	\$ 69	\$ 68	\$ 62
Constuction/Renovations Public Safety/DPW	\$ 15,000,000	-	-	-	-	\$ 509
<b>Total Debt Exclusions</b>		<b>\$ 196</b>	<b>\$ 159</b>	<b>\$ 153</b>	<b>\$ 148</b>	<b>\$ 644</b>

**General Overrides** - Impact on property tax rate is permanent and can increase each year by 2 1/2%, but decreases when reevaluated property values go up.

	Amount	FY2014	FY2015	FY2016	FY2017	FY2018
School Operating Budget - FY2002	\$ 167,768	\$ 108	\$ 111	\$ 114	\$ 116	\$ 115
School Operating Budget - FY2003	\$ 243,818	\$ 153	\$ 157	\$ 161	\$ 165	\$ 163
Library Operating Budget - FY2005	\$ 35,034	\$ 21	\$ 22	\$ 22	\$ 23	\$ 22
School Operating Budget - FY2006	\$ 484,500	\$ 283	\$ 290	\$ 298	\$ 304	\$ 300
EMT-Firefighter - FY2008	\$ 47,000	\$ 26	\$ 27	\$ 27	\$ 28	\$ 28
COA Nutrition Program - FY2008	\$ 31,700	\$ 17	\$ 18	\$ 18	\$ 18	\$ 28
On Call Firefighter/EMT - FY2009	\$ 50,000	\$ 27	\$ 28	\$ 29	\$ 29	\$ 18
Schools Operating Budget - FY2010	\$ 315,000	\$ 166	\$ 171	\$ 175	\$ 179	\$ 177
Schools Operating Budget - FY2017	\$ 100,000	\$ -	\$ -	\$ -	\$ 48	\$ 47
<b>Total General Overrides</b>		<b>\$ 801</b>	<b>\$ 824</b>	<b>\$ 844</b>	<b>\$ 910</b>	<b>\$ 897</b>

<b>Combined Total Impact of Debt Exclusions and Overrides</b>	<b>\$ 997</b>	<b>\$ 982</b>	<b>\$ 997</b>	<b>\$ 1,057</b>	<b>\$ 1,541</b>
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