

**Town of Seekonk  
Capital Improvements Program  
FY 2007 – 2011**

*Prepared for  
Town of Seekonk*

*By  
Seekonk Capital Improvements Program Committee  
March 2006*

## **Table of Contents**

### **Section I - Capital Improvements Program (CIP) Committee**

Capital Improvements Program  
Committee Members  
Guidelines used to Define Capital Items

### **Section II - Capital Needs by Department**

Department Requests:  
Animal Control Office  
Fire Department  
Human Services Department (formerly Council on Aging)  
Library  
Police Department  
Public Works  
Recreation Department  
School Department  
Town Hall Departments: Board of Assessors, Town Clerks Office, Board of Selectmen, Town Administrator, Planning Department, Treasures & Collectors Office

### **Section III - Funding Sources**

Bristol County Sheriff's Office  
Capital Improvements Program Fund  
Chapter 90  
Free Cash Account  
Homeland Security Grants  
Sanitation Enterprise Fund  
State Grants  
Stabilization Account

### **Section IV - Committee Recommendations & Conclusion**

Recommendations  
Conclusion

#### **Appendix**

Exhibit I CIP Spreadsheet - Recommended Capital Expenditures & Funding Sources  
Exhibit II Sanitation Enterprise Fund Spreadsheet  
Exhibit III Other and Future Capital Items  
Exhibit IV Capital Improvements Planning Schedule  
Exhibit V Capital Improvements Program Bylaw  
Exhibit VI Capital Improvements Program Budget Policy  
Exhibit VII Capital Improvements Program Debt Policies

## Section I - Capital Improvements Program (CIP)

A Capital Improvements Program (CIP) is a blueprint for planning a community's capital expenditures and is one of the most important responsibilities of local government officials. It coordinates community capital project planning, financial analysis and physical development. The Seekonk Capital Improvements Program Committee was established in the early fall of 2005. The CIP Committee was appointed by the Board of Selectmen as suggested in the CIP Manual issued by the Massachusetts Division of Local Services' Municipal Data Management and Technical Assistance Bureau. The Finance Committee also advocated for the formation of the CIP Committee because they saw the importance of having a CIP and they were concerned that the capital needs of the town were not being adequately addressed.

The committee consists of the following members:

Community member volunteer	David Spencer (Chairman)
Community member volunteer	Ron Boucher
Community member volunteer	David Mullen
Community member volunteer	Tom Rose
BOS Liaison	Michael Brady
Finance Committee Liaison	Beverly Hart
School Committee Liaison	Robert McClintock

Committee Facilitator and Advisors:

Town Administrator	Thorn Mead
Finance Director	Bruce Alexander

The Committee wishes to thank the following leaders that have provided advice and invaluable input to the process:

Tom Harms	Finance Committee Chairman
Jim Tomaszewski	Town of Norfolk Finance Committee Member
Lisa Dickinson	Bond Advisor from UniBank
Marge Bradley	School Committee Chairperson
Joe Delude	School Business Manager
Michelle Hines	Human Services Council Chairperson

Department Heads:

Animal Control Officer	Janet Bowden
Fire Chief	Alan Jack
Human Services Director	Bernadette Huck
Library Director	Sharon St. Hilaire
Police Chief	Ron Charron (former acting Chief Wayne Mackiewicz)
Public Works Superintendent	Robert Lamoureux
Recreation Department	Neil Rapp
Schools Acting Superintendent	Peter Andreozzi

A capital improvements program is composed of two parts – a **capital budget** and a **capital program**. The capital budget is the upcoming year's spending plan for capital items. Capital items are tangible assets that have a useful life of at least five years and cost at least \$10,000 (or are a depreciable asset). The capital program is a plan for capital expenditures that extends beyond the capital budget. A primary tool developed by the CIP committee is the CIP Spreadsheet in the Appendix (Exhibit I) that provides a cash flow analysis of the capital budget and the capital program including both the projected revenue sources and projected capital expenditures.

A complete, properly developed CIP has the following benefits:

- Facilitates coordination between capital needs and the operating budget
- Enhances the community's credit rating, control of its tax rate, and avoids sudden changes in its debt service requirements
- Identifies the most economical means of financing capital projects
- Increases opportunities for obtaining federal and state aid
- Relates public facilities to other public and private development plans
- Focuses attention on community objectives and funding requirements
- Keeps the public informed about future needs and projects
- Coordinates the activities of municipal departments to reduce or avoid duplication
- Encourages careful project planning and design to avoid costly mistakes and help the community reach desired goals

## **Section II - Capital Needs by Department**

Development of a CIP that will insure sound fiscal and capital planning requires effective leadership and the involvement and cooperation of all municipal departments. The Committee; and the town of Seekonk for that matter, is fortunate to have such strong Department heads that are committed to a sound CIP. The Committee solicited and received departmental recommendations for the CIP. Each department was asked to provide an inventory of existing assets, a clear statement of the need and justification for new items/project, the cost of the item, an implementation schedule and the priority of the item (high, medium or low). Much of this information was developed in the dialog the Committee had with each department during the process. This section of the Committee's report includes the documents presented to the CIP committee by the respective town departments during the meetings held with each department head and/or board member.

Among the questions asked by the Committee were:

- 1.) Does the requested project contribute to the achievement of existing town goals, policies and plans?
- 2.) What are the general benefits of the project?
- 3.) What is the total cost (both capital and annual operating expenses)?
- 4.) Is the project needed and acceptable to the public?

Department Requests:  
Animal Control Office  
Fire Department  
Human Services Department (formerly Council on Aging)  
Library  
Police Department  
Public Works  
Recreation Department  
Schools  
Town Hall Departments: Board of Assessors, Town Clerks Office, Board of Selectmen, Town Administrator, Planning Department, Treasurer's & Collector's Office

### **Section III - Funding Sources**

A critical component to a successfully implemented CIP is the identification of the funding sources for the items to be acquired under the plan. The Committee has identified the following funding sources for the CIP and encourages the pursuit of each of these sources of funding in order to achieve a successfully implemented CIP.

#### **Bristol County Sheriff's Office –**

Some of the items requested departments were expense items rather than capital items. For example, the labor to paint buildings was such an item excluded from the CIP. Although not a capital item, the Committee recommends the town explore the use of a program offered by the Bristol County Sheriff's Office in which this type of work is completed by detainees.

#### **Capital Improvements Program Fund**

The Committee recommends the establishment of a Capital Improvements Fund (see below recommendations). The fund would be established and revenue generated through a Proposition 2 ½ override initiative. Funds from the override would be earmarked specifically for the Capital Improvements Program, making it legally binding that the funds only be used for capital expenditures or for the debt service of capital expenditures under the CIP. The override amount needed to fund the Capital Improvements Program Fund is \$750,000.00 based on the other funding and capital expenditure assumptions in the CIP plan (see Appendix Exhibit I).

A Capital Improvements Program Fund will allow the town to better plan and implement the CIP. The committee advises against funding the CIP with many small individual debt exclusions. As this approach would make the funding dependent upon many future debt exclusion votes; thereby, making it more difficult for town officials to appropriately plan and implement the CIP. Without this important mechanism the committee believes the CIP will fall victim to the same fate as the 1998 CIP which identified needs but did not have a Capital Improvements Program Fund as described herein to fund the program.

The Committee developed this recommendation after meeting with the town's bond advisor from UniBank and a member of the town of Norfolk's Finance Committee. The advice and input from both of these individuals is greatly appreciated by the Committee.

## **Chapter 90**

Another source of revenue for the CIP is Chapter 90 funding from the State. Under the provisions of MGL Chapter 90, capital items used for the building and maintenance of roads can be funded by these state funds. The CIP calls for Chapter 90 funding for qualified items as described in the Appendix (Exhibit IV).

### **Free Cash Account**

The Town moved one step closer to properly planning its capital spending needs in approving the Warrant Article at the March 27<sup>th</sup>, 2006 Special Town Meeting, transferring money from the Free Cash to the Stabilization account. The Committee recommends average annual transfers of \$425,000.00 to adequately fund the CIP along with the other sources of revenue described herein.

### **Homeland Security Grants**

Another source of funding is grants from the Homeland Security Department of the federal government. Items expected to qualify for Homeland Security grant funding are listed in the Appendix (Exhibit III).

### **Sanitation Enterprise Fund**

Capital items needed for or related to the town's trash and recycling program should be funded by revenue generated from the Sanitation Enterprise Fund. The capping of the landfills and the tub grinder are examples of such capital items shown in the Appendix (Exhibit II).

### **State Grants**

The Committee strongly recommends the continuation of grant writing for capital projects. The town was fortunate to qualify for funding from the state in which the commonwealth paid 70% of the cost to renovate all of our schools.

The funding requirement in the CPI spreadsheet earmarked for the Senior/Community Center is the projected amount needed for the project and is the only project the Committee recommends financing with a bond. The committee recommends a twenty year term for the financing and has included the debt service payments under the expenditures of the CIP Fund. Because the project's debt service would be funded by the CIP Fund a debt exclusion vote would not be needed if the CIP Fund is implemented as recommended.

The library renovation and expansion project qualified for a grant from the state which was contingent upon voter approval of the debt exclusion for the project. The Library Director plans to again pursue the state grant funds for the renovation/expansion project in 2010 when the project could again be eligible for the state grant. The Committee treated this project as a stand alone debt exclusion project for planning purposes due to the size and not part of the projects or assets to be acquired under the CIP Spreadsheet revenue sources.

### **Stabilization Account**

The Stabilization account has a balance of **\$1,048,000.00** as of April 14<sup>th</sup>, 2006. The Committee recommends these funds be used as a revenue source as shown in CIP Spreadsheet in the Appendix (Exhibit I). These funds need to be accounted for separately from the CIP Fund revenue.

## **Section IV - Committee Recommendations**

The below recommendations are made by the Committee in their entirety. Some of the recommendations are contingent upon the other recommendations being implemented. The Committee recommends the following:

### **1. Establish a Capital Improvement Fund**

#### **2. Fund the FY07 CIP Budget**

Incorporate the recommended FY07 CIP capital expenditures into the FY07 budget. Many of the projects recommended for FY07 have been put off in past years and are now over due. This is why the first year of the CIP is the largest amount.

#### **3. Adopt a CIP Bylaw**

In order to establish a formal CIP process, the town should adopt a bylaw at 2006 Annual Fall Town Meeting to create and empower a CIP committee (MGL Chapter 41 section 106B). The appendix (Exhibit V) includes a sample bylaw which covers appointment of the Committee by the BOS, the Committee's duties, and its authority.

The BOS may also want to consider adopting formal policies in future years to guide the town's capital improvement process and debt management. Sample policies are included in the Appendix (Exhibits VI and VII) and could be further developed by a future CIP Committee and then recommended to the BOS.

While it is not necessary to adopt a CIP bylaw or formal debt and CIP policies to establish a sound CIP process, such formal guidelines could provide valuable direction.

#### **4. Set an Annual CIP Timetable**

The success of the CIP will be largely determined by the planning and commitment of all the local officials involved in the CIP process. The timetable in the Appendix (Exhibit IV) should be given to all local officials involved in the CIP process to improve planning and implementation. The schedule is based on a May 15 Annual Town Meeting.

#### **5. Bond/finance large projects only**

Bond large projects such as the Senior/Community Center and fire apparatus for appropriate terms and pay for smaller capital items through CIP fund. This approach will allow the Town to minimize financing and interest expenses.

#### **6. Maintain a Minimum CIP Balance of \$200,000**

Maintain a minimum balance of \$200,000 in the CIP accounts. These accounts would include the traditional stabilization account and any the new account created by the CIP Fund.

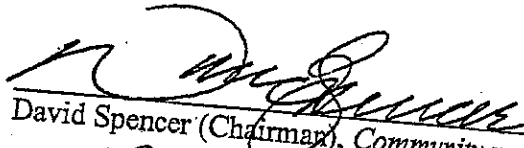
#### **7. Allocate the Funds from Free Cash to the CIP**

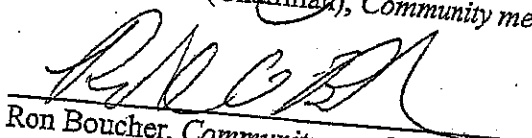
Make the Free Cash transfers described section III above to the Stabilization account at the March and May 2006 Town Meetings. The capital needs of the town have gone significantly under funded in recent years which requires a jump start to the CIP in year one of the program. In future years average transfers of \$425,000 annually are recommended to adequately fund the CIP.


**8. Fund Trash and Recycling Capital Items through the Enterprise Fund**

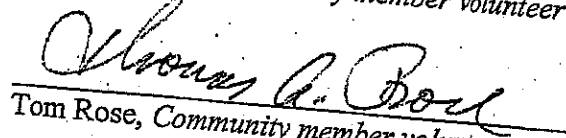
Explore funding mandated projects at Newman Avenue and Fall River landfills through revenue generated by the Sanitation Enterprise Fund.

IN WITNESS WHEREOF, the parties hereto affix their signatures as of 9th day of March, 2006.

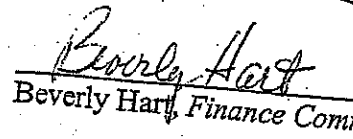
  
David Spencer (Chairman), Community member volunteer

  
Ron Boucher, Community member volunteer

  
David Mullen, Community member volunteer

  
Tom Rose, Community member volunteer

  
Michael Brady, BOS Liaison

  
Beverly Hart, Finance Committee Liaison

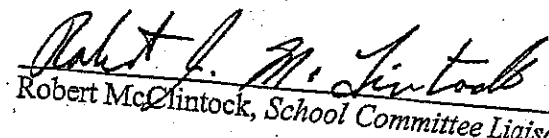
  
Robert McClintock, School Committee Liaison

Exhibit I	2007	2008	2009	2010	2011
Opening Balance					
Transfer From Free Cash:	\$ 1,048,000	\$ 667,361	\$ 466,857	\$ 355,725	\$ 232,793
CIP Fund (earmarked from override)	\$ 750,000	\$ 450,000	\$ 560,000	\$ 560,000	\$ 560,000
Less Appropriations:					
Capital Item Description					
School Department		\$ 768,750	\$ 787,969	\$ 807,668	\$ 827,860
School Department					
Textbook Replacement Program	\$ 200,000	\$ 175,000	\$ 150,000	\$ 150,000	\$ 150,000
School Bus Lease Purchase Program	\$ 78,805	\$ 80,000	\$ 160,000	\$ 240,000	\$ 160,000
Technology Replacement/Acquisition Plan	\$ 267,100	\$ 235,100	\$ 231,100	\$ 229,100	\$ 229,100
School Administration Building:					
Repair and/or Replacement					
Marlin School:					
Heating Boiler				\$ 150,000	\$ 150,000
Paint & refinish bookcases		\$ 25,000			
Parking lot repairs					
High School:			\$ 10,000		
Courtyard and parking lot					
Aliken School					\$ 30,000
Roof Repairs					
Replace existing alc unit	\$ 140,000	\$ 80,000			\$ 40,000
Parking lot repairs					
Replace wall tiles, sinks units, Plexiglas					
Brick facade, repoint failed areas					
Hurley Middle School:					
Roof Replacement				\$ 40,000	\$ 30,000
Refurbish Cafeteria					
Repoint external masonry		\$ 30,000	\$ 300,000		\$ 30,000
Upgrade heating system					
Security System Upgrade			\$ 30,000		
North School:					
Replace windows				\$ 100,000	
Heating Systems Repairs/Gutter Replacement					\$ 100,000
Prep and pave rear area		\$ 30,000			
Maintenance Account:		\$ 56,000			
Replace F-350 pickup					\$ 50,000
Replace lawn tractor	\$ 26,199				
Replace Gravelly tractor		\$ 48,000			
Replace John Deere			\$ 15,000		
Schools Subtotal	\$ 712,104	\$ 759,100	\$ 896,100	\$ 909,100	\$ 984,100







Exhibit III	Funding Year	Amount	Funding Source
Other Capital Purchases			
Fire Department-Turn Out Gear	2007	\$ 35,000	Homeland Security Grant
Public Works-Medium Duty Truck	2007	\$ 35,000	Chapter 90
Freezer Replacement-High School	2007	\$ 35,000	High School Bond
Exterior Wall Treatment-Public Library	2007	\$ 21,000	Bristol County Sheriff's Office
Sanitation-Tub Grinder Replacement	2008	\$ 27,500	Bristol County Sheriff's Office
Town Hall Building Interior Renovations	2008	\$ 225,000	Sanitation Enterprise Fund
Public Works-Medium Duty Truck	2009	\$ 39,100	Bristol County Sheriff's Office
Public Works-Heavy Duty Truck	2009	\$ 37,000	Chapter 90
Town Hall-Interior Floor/Walls/Door Frames	2009	\$ 80,000	Chapter 90
Fire Department-Turn Out Gear	2010	\$ 48,400	Bristol County Sheriff's Office
	2011	\$ 35,000	Homeland Security Grant
Future Capital Purchases			
Fire Department-Quint Apparatus			
Police Department-Cruiser Replacement	2012	\$ 675,000	
High School Auditorium Air Conditioning	Each Year 2012+	\$ 95,000	
School Administration Roof Replacement	2012+	\$ 200,000	
	2012+	\$ 40,000	
Technology Purchases Included			
Technology Replacement/Acquisition Plan (School)	2007	\$ 297,100	
Computer Equipment (Town Hall)		\$ 25,000	
Computer Replacement (Library)		\$ 10,000	
Copy Machine Replacement (Library)		\$ 10,000	
	2008	\$ 235,100	
		\$ 25,000	
	2009	\$ 231,100	
		\$ 10,000	
	2010	\$ 228,100	
		\$ 10,000	
	2011	\$ 229,100	
		\$ 10,000	