
Seabrook Capital Spending

Nine Year History 2013-2021

Town Manager - July 2021



Introduction

I have created a nine year history of capital spending in Seabrook, with a look at capital spending between 2013-2021. I have used definitions of spending that will be clearly laid out, with breakdowns between Departments and categories. This report builds on the eight year report that I submitted last year, with the addition of the 2021 totals, by Department and category.



Seabrook Capital Spending Overall.

The first look will be at the nine year history of total authorized spending over this period. The voters of Seabrook have *authorized capital* spending (CIP) of \$21,655,830 over this nine year period. I have reviewed the overall CIP number and will reduce it to \$20,195,966, based on the removal of several numbers. The first number is \$1,200,000 authorized on two separate warrant articles dealing with the issues at the Town pier. The most recent article authorized a bond issue to deal with this problem. The second article is the 2015 Library article of \$45,000 for media materials that was also placed in that years budget and hence not expended through the warrant article. The third number that has been removed is the 2018 warrant article (Article 18) that reauthorized \$525,000 from the 2016 warrant (Article 36). I omitted that number from the “authorized spending” number in 2018. The voters, in 2019, reauthorized \$143,727 from the original 2016 article, which has also been removed. For the purposes of this report any personnel articles are also omitted, such as article 22 in 2020, in the amount of \$25,644 for police officers. I have removed the expenditure of \$71,137 for fire turnout gear in 2021, as we count the allocations towards that capital fund in the total number. That brings us to the listed number of \$20,195,966 which I shall use as we break that spending down between Departments and categories.

There will be other definitional issues to be looked at, and I will try to identify areas where the numbers might require further explanation. As an example one number that I will try to further break down is the capital spending for roads, which is assigned within DPW. When you look at the aggregate capital number for DPW the total roads spending is contained in that figure. Roads spending is financed through state block grant money, local transportation money generated outside of the property tax, and by the property tax. I will break that spending out, and will show DPW spending on capital without the roads.

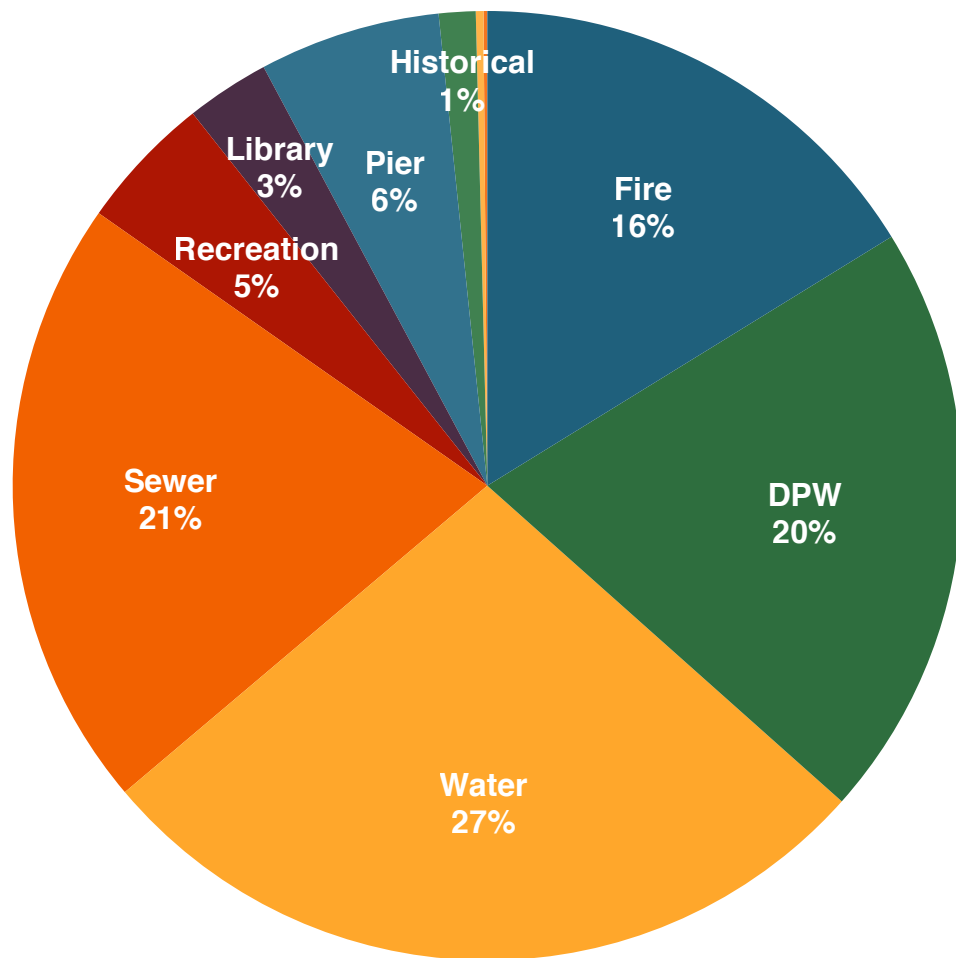
First, let us look at the total authorized spending, by year.

Seabrook Capital Spending by Year	
2013	\$1,333,400
2014	\$2,021,600
2015	\$2,519,709
2016	\$2,153,950
2017	\$2,385,800
2018	\$914,500
2019	\$3,864,700
2020	\$1,498,034
2021	\$4,964,137
Total	\$21,655,830

Seabrook Human Services Spending by Year	
2013	\$165,879
2014	\$170,414
2015	\$160,487
2016	\$110,720
2017	\$141,987
2018	\$94,611
2019	\$95,130
2020	\$99,130
2021	\$103,530
Total	\$1,141,888

Department	Amount
Fire	\$3,152,000
DPW	\$3,959,500
Water	\$5,297,350
Sewer	\$4,063,700
Recreation	\$896,309
Library	\$553,000
Pier	\$1,200,000
Historical	\$243,000
Town Hall	\$50,800
Rail Trail	\$25,000
Police	\$755,307
Total	\$20,195,966

● Fire ● DPW ● Water ● Sewer ● Recreation ● Library ● Pier
● Historical ● Town Hall ● Rail Trail

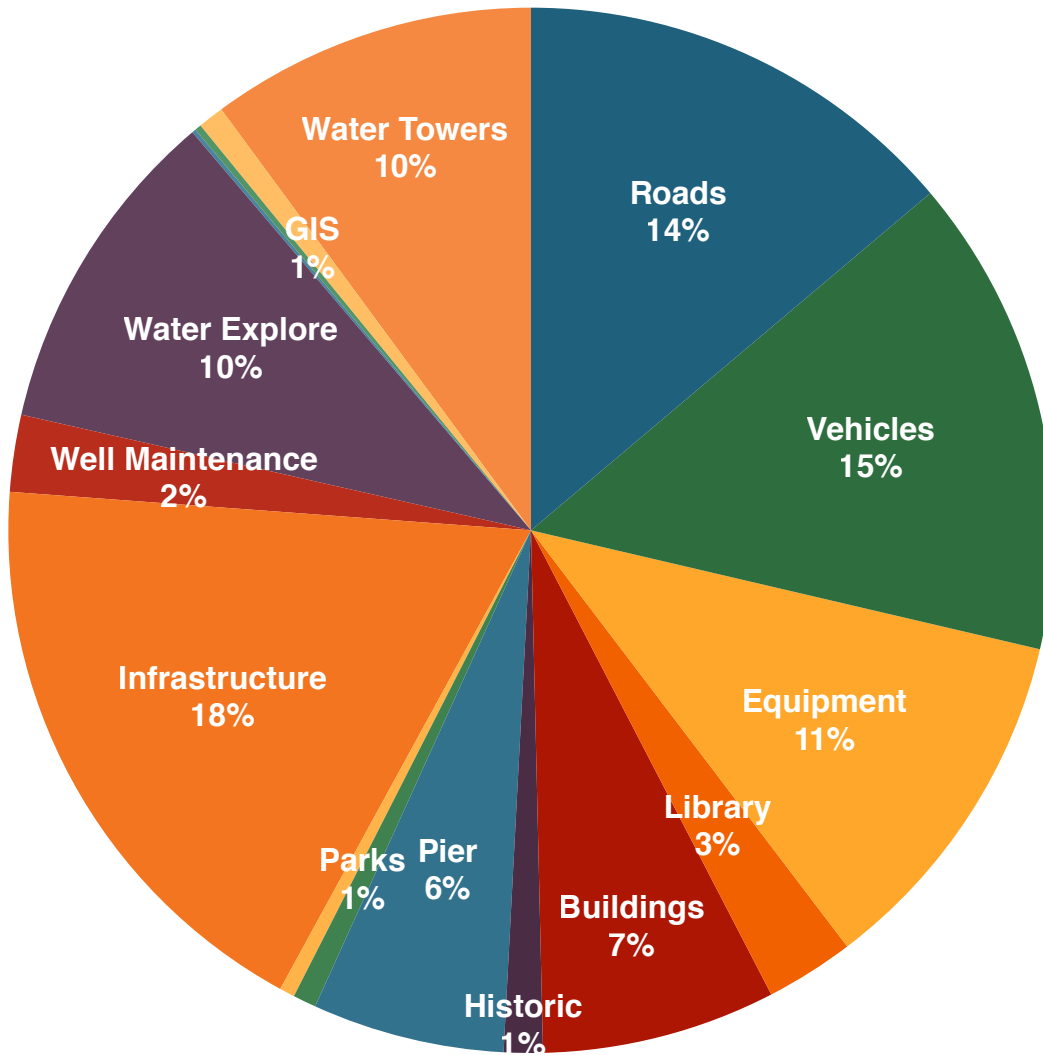


When you take those numbers and apply them to categories the below table shows us where the Town of Seabrook's resources have been applied.

A couple of definitional notes are in order. I have separated the Library, as they have been authorized by warrant to do building work, but have paid for that work with Library reserves. I have used the term "infrastructure" to refer to non-road projects where some aspect of our infrastructure is repaired or upgraded. (An example would be the Anne's Lane water line project, or the sewer 286 outfall pipe.) I have not included building upgrades to the South Meeting House under "Buildings" but rather under "Historic."

Roads	\$2,795,000
Vehicles	\$2,992,000
Equipment	\$2,222,357
Library	\$553,000
Buildings	\$1,461,359
Historic	\$243,000
Pier	\$1,200,000
Parks	\$144,500
Cemetery	\$95,000
Infrastructure	\$3,677,900
Well Maintenance	\$480,000
Water Tanks	\$2,039,100
Water Exploration/Management	\$2,065,750
Rail Trail	\$25,000
Senior Transportation/Feasibility	\$40,000
GIS/Asset Management	\$162,000
Totals	\$20,195,966

- Roads
- Buildings
- Cemetery
- Rail Trail
- Vehicles
- Historic
- Infrastructure
- Seniors
- Equipment
- Pier
- Well Maintenance
- GIS
- Library
- Parks
- Water Explore
- Water Towers



Below will be tables that show the year to year capital spending by Department. I have broken out DPW spending so that “non-road” spending can be ascertained and analyzed.

Year	DPW	Block Grant	DPW less Block Grant	Local Share Roads	DPW Non Road
2013	\$443,500	\$147,407	\$296,093	\$93,593	\$202,500
2014	\$302,000	\$147,665	\$154,335	\$132,335	\$22,000
2015	\$493,500	\$148,871	\$344,629	\$133,129	\$211,500
2016	\$302,000	\$160,297	\$141,703	\$121,703	\$20,000
2017	\$632,000	\$171,989	\$460,011	\$110,011	\$350,000
2018	\$335,500	\$176,734	\$158,766	\$105,266	\$53,500
2019	\$527,000	\$329,204	\$197,796	\$47,796	\$150,000
2020	\$350,000	\$160,800	\$189,200	\$139,200	\$50,000
2021	\$574,000	\$160,800	\$413,200	\$228,200	\$185,000
Totals	\$3,959,500	\$1,603,767	\$2,355,733	\$1,111,233	\$1,244,500

This table allows us to look at the DPW figures and get a more accurate idea of what the Department has spent, over nine years, on vehicles and equipment. When the total roads spending of \$2,715,000 (block grant plus local share) is deducted from total DPW capital spending the overall total drops to \$1,244,500. In 2014, 2016, and 2018 *all* DPW equipment/ vehicle requests were rejected by voters. In 2019 a major vehicle (dump truck with plow) was added, accounting for all of the non-road capital for that year. I have tabbed the data for your reference to the specific numbers used to compile this report. Two vehicles, approved in 2017, were funded through the application of “fund balance.” At the direction of the Board of Selectmen and the Budget Committee we have moved some smaller vehicles to our budget, utilizing the lease line to supply our departments with needed vehicles. Those lease lines will reduce requests for those “utility sized” vehicles by our departments through the capital process. The three Departments utilizing that methodology are water, sewer, and fire and DPW.

Year	Fire
2013	\$307,000
2014	\$75,000
2015	\$1,600,000
2016	\$120,000
2017	\$45,000
2018	\$0
2019	\$40,000
2020	\$40,000
2021	\$925,000
Totals	\$3,152,000

The Fire Department capital spending was spiked in 2015 by the inclusion of \$1,250,000 for a Ladder/Platform, and \$275,000 for a new Dispatch system. It should be noted that the Ladder/Platform amount became a five year lease, with the subsequent payments included as a lease amount in the Fire Department budget. The Fire budget has made all the payments on that lease, releasing the \$250,000 lease payment from the Fire budget. In 2021 voters approved \$875,000 for a new engine/rescue vehicle. The methodology of finance will be the same as utilized for the ladder, with \$175,000 raised and appropriated in 2021, and \$175,000 added to the fire budget for the following four years. The Board of Selectmen created a “capital fund” in 2018 (Article 24) to fund future purchases of turnout gear and SCBA (breathing) equipment for our firefighters. This capital fund had \$40,000 approved by voters in 2019 and 2020, and \$50,000 in 2021. This fund expended \$71,137 for turnout gear in 2021, leaving the fund with a balance of \$58,863 entering 2022.

Year	Water
2013	\$152,900
2014	\$270,750
2015	\$158,000
2016	\$1,042,000
2017	\$257,000
2018	\$50,000
2019	\$2,952,700
2020	\$193,727
2021	\$364,000
Totals	\$5,441,077

The Water Department in 2016 included \$962,000 in water exploration and land acquisition costs associated with the exploration for water. All of that expense was covered by a water capital account. It should be further noted that \$182,000 of that amount was designated for purchase of the so called “Pineo” land, which has been donated to the Town. That allocation has been returned to the water “capital fund.” As mentioned above the Water Department asked for, and received, a reauthorization of \$525,000 in 2018 originally allocated by the voters in 2016. The voters reauthorized, in 2020, \$143,727 from that same pool of funds. The 2019 number includes \$2,039,100 for water tower maintenance that was financed by debt, as well as \$725,000 for land acquisition that is partially financed through the application of \$300,000 from the water capital reserve. In 2021 the Water capital spending included an additional \$200,000 for water exploration, as well as some repaving of well roads, and a roof replacement at the 107 Pump Station.

Year	Sewer
2013	\$15,000
2014	\$42,000
2015	\$62,000
2016	\$96,700
2017	\$60,000
2018	\$524,000
2019	\$75,000
2020	\$194,000
2021	\$2,995,000
Totals	\$4,063,700

In 2016 the Wastewater Department was successful in replacing an aging 3/4 ton pickup truck, as well as some important building improvements. Voters approved a new roof for the Wastewater building in 2015, which accounted for the only capital spending in that department that year. Voters approved a back up power system for the building in 2014. The 2019 amount of \$75,000 included \$60,000 for asset management that was technically financed through a bond authorization but is part of an asset management program, funded through an SRF loan that has a debt forgiveness component. The first phase of that asset management program is complete, with that \$60,000 “loan” having been forgiven. The outfall pipe project has been a difficult one, both financially and operationally. In 2018 the voters approved \$480,000 for this project, and in 2021 voters approved another \$495,000 for this project. Both amounts were financed through fund balance, with no impact to the taxpayers. The project has been engineered, and a proposal has been accepted. The 2021 amount includes \$2,280,000 (article 12) for a retrofit of the sewer plant, which is over twenty years old. We anticipate grant funding through the USDA, which will likely cover a percentage of this cost, as well as a percentage of the outfall pipe project. Additionally, as mentioned in the financial report, we have received a federal grant of \$925,600, divided equally between 2021 and 2022. While the guidelines can be challenging to translate one area that is unambiguous is the ability to use this federal money for water and sewer projects.

Year	Recreation
2013	\$335,000
2014	\$43,850
2015	\$46,209
2016	\$356,250
2017	\$40,000
2018	\$5,000
2019	\$70,000
2020	\$0
Totals	\$896,309

The 2013 Recreation Capital number contains \$300,000 for mold remediation. The 2016 number includes \$325,000 for a roof replacement, which has been completed. This amount was funded through application of “fund balance.” In 2019 the voters funded a boiler replacement through fund balance, as well as \$5,000 for senior transportation. That boiler replacement is complete. The Recreation/Community Center resurfacing of the parking lot was completed this year, utilizing non-local funds. That project was on our CIP list, but can now be taken off.

Year	Police
2020	\$720,307
2021	\$35,000
Total	\$755,307

The Police Department had been under-represented when it comes to inclusion in the capital budgets prepared annually. Utilization of Dallasandro fund monies mitigated, to some degree, the need for inclusion in the annual CIP book. The Police Department is on a pay / go system for departmental cruisers, with three included annually through the budget. This total, because it is in the budget, has been thought of as outside our CIP. Despite that we should consider the budgetary allocation for cruisers as a capital expenditure, funded on a pay / go basis. In 2020 voters approved a bond issue of \$685,307 for communication equipment. The police bond will be financed through the communication fund set up by the Selectmen, with revenue streams coming from the Verizon Tower lease, as well as the T-Mobile lease on our water tower. That fund will completely finance those bond payments. In 2020 voters approved \$35,000 for the police equipment capital fund, and in 2021 they approved another \$35,000. No expenditures have yet been made from the fund, leaving that fund with a balance of \$70,000. The police department driveway and parking lot was resurfaced in 2021, utilizing non-local funds. Additionally the capital project on the police locker rooms was completed using state aid money returned to Seabrook in 2019, with no impact to the property tax in Seabrook.

The 2018 budget cycle started to utilize the concept of capital funds, which the Board of Selectmen and the Budget Committee approved. In 2019 we saw the voters create the DPW Vehicles Capital Reserve Fund, the Municipal Buildings Capital Reserve Fund, and the Police Equipment Capital Reserve Fund. The creation of these four funds will allow Seabrook to better manage our capital program and avoid large gyrations in capital requests.

Our average spending over this period for capital has been \$2,406,203. As pointed out there are caveats to that number (i.e Fire Ladder/Platform spread over five years, the bond authority for pier improvements included in total in the above numbers, and Library spending funded by Library reserves, as well as the bond finance for the water towers) The average over the seven years for social service spending is \$126,876 which brings the average for capital and social services combined to over \$2,500,000 (\$2.5 million) annually. This is a significant percentage of our overall budget, and a major component of the annual tax rate. I have left the rail trail appropriation of \$25,000 in this report although it was not expended and returned to the general fund at the end of 2018.

How we finance capital spending is critically important. We have moved from a total pay/go system to a blend of debt, capital reserve accounts, fund balance (fund balance numbers used for capital are discussed in the main finance report) and pay/go. Our debt has been issued responsibly, as we have replaced retired debt with new debt for the pier project, and the maintenance of our two water towers. The upcoming debt issue, for police communication, will be fully repaid with non-property tax dollars. I have attached current debt schedules, as well as the new debt schedules for the three listed projects (Pier, water tower rehabilitation, and police radios.) Although not listed yet

As discussed in the finance report the tax rate is determined by the budget, with passed warrant articles being incorporated into the budget, less local (non-property tax) revenues. With this in mind the 2021 budget, and tax rate setting will be challenging due to the inclusion of warrant articles of \$4,893,000. The 2021 tax impacts of that amount are very high, with the Fire Department engine of \$875,000 being funded over five years, lessening the 2021 tax impact by \$700,000. You can further reduce the 2021 tax impact number by \$240,800, which is what the highway block grant and the local transportation fund amounts were in the DPW road program. That will bring the amount, in 2021, that will impact the tax rate as \$3,952,200. It should be noted that there will be some need, in the near future, for additional water infrastructure to pipe new sources of water to the water plant. That need will come into sharper focus in the next two years.

This report will be produced annually, with all of the supporting data, which will hopefully inform Board deliberations on where to spend scarce capital dollars, and how to fund approved capital spending.