
Seabrook Capital Spending

Five Year History 2013-2017

Town Manager - September 4, 2017



Introduction

I have created a five year history of capital spending in Seabrook, with a look at capital spending between 2013-2017. I have used definitions of spending that will be clearly laid out, with breakdowns between Departments and categories.



Seabrook Capital Spending Overall.

The first look will be at the five year history of total authorized spending over this five year period. The voters of Seabrook have *authorized capital* spending (CIP) of \$10,414,459 over this five year period. They have also authorized Social Service spending of \$749,487 over that same period. While Social Service Spending is not properly placed into a “capital spending” category it has impacts that can be seen by the sheer size of that five year aggregate number. I have reviewed the overall CIP number and will reduce it to \$9,169,459 based on the removal of two numbers. The first number is \$1,200,000 from two 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. That brings us to the listed number of \$9,169,459, 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.

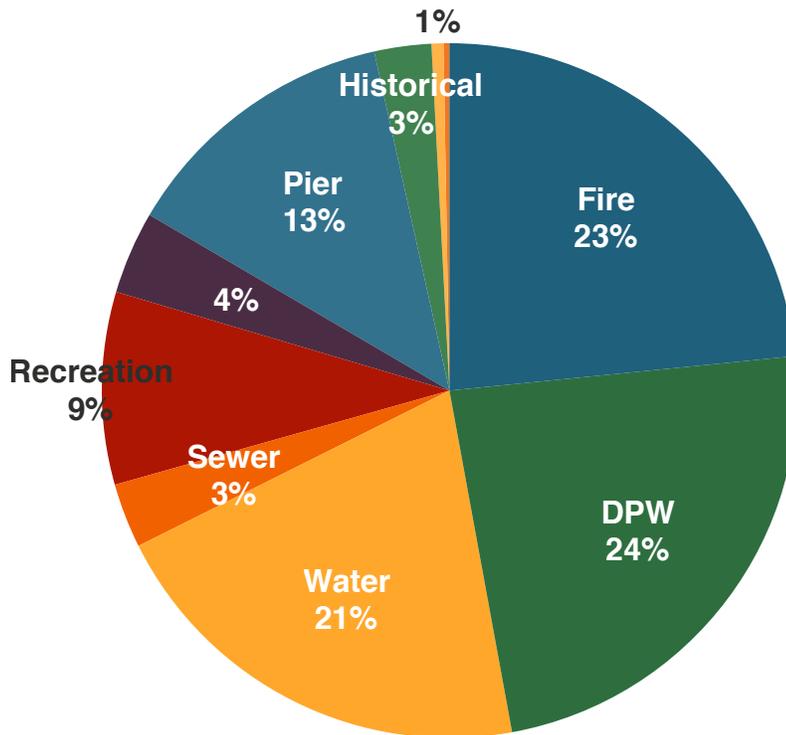
Seabrook Capital Spending by Year	
2013	\$1,333,400.00
2014	\$2,021,600.00
2015	\$2,519,709.00
2016	\$2,153,950.00
2017	\$2,385,800.00
Total	\$10,414,459.00

Seabrook Human Services Spending by Year	
2013	\$165,879.00
2014	\$170,414.00
2015	\$160,487.00
2016	\$110,720.00
2017	\$141,897.00
Total	\$749,397.00

As mentioned I have removed \$1,200,000 authorized in 2014 for the pier, and \$45,000 authorized in 2015 for the Library. Now let us look at the total spending over this period, by Department.

Department	Amount
Fire	\$2,147,000
DPW	\$2,173,000
Water	\$1,880,650
Sewer	\$275,700
Recreation	\$821,309
Library	\$353,000
Pier	\$1,200,000
Historical	\$243,000
Town Hall	\$50,800
Rail Trail	\$25,000
Totals	\$9,169,459

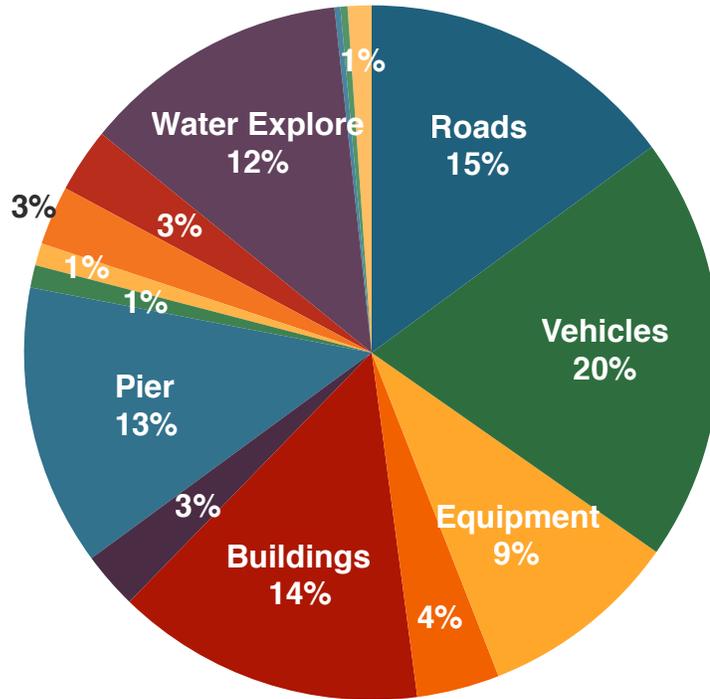
- Fire
- DPW
- Water
- Sewer
- Recreation
- Library
- Pier
- Historical
- Town Hall
- Rail Trail



When you take those numbers and apply them to categories here is where the Town of Seabrook's resources have been applied.

Roads	\$1,367,000
Vehicles	\$1,817,000
Equipment	\$855,450
Library	\$353,000
Buildings	\$1,317,359
Historic	\$243,000
Pier	\$1,200,000
Parks	\$96,000
Cemetery	\$95,000
Infrastructure	\$252,900
Well Maintenance	\$275,000
Water Exploration/Management	\$1,140,750
Rail Trail	\$25,000
Senior Transportation/Feasibility	\$30,000
GIS/Asset Management	\$102,000
Totals	\$9,169,459

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



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.) I have not included building upgrades to the South Meeting House under “Buildings” but rather under “Historic.” It should be noted that the “vehicle” category is skewed by the inclusion of \$1,250,000 for the purchase of the Fire Ladder / Platform in 2015. Without that procurement the “vehicle” number is \$567,000. The “Buildings” number contains a \$300,000 expense for mold remediation at Recreation in 2013.

When you remove the Fire Ladder / Platform from the “vehicle” category all other vehicle spending amounts to a 6.2% of the total. When the mold remediation for Recreation is removed the percentage of the total for “buildings” drops to 11.1% of the total. It must be noted that I am carrying the “pier” as a “one-time” expenditure, but voters have in fact authorized a bond, which would likely carry a 20 or 25 year repayment schedule, which would change that calculation, and the associated percentages, accordingly. We have not gone out for that borrowing as of this date.

A look at the Departmental spending for the ‘major’ Departments, year to year. 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
Totals	\$2,173,000	\$776,229	\$1,396,771	\$590,771	\$806,000

This table allows us to look at the DPW figures and get a more accurate idea of what the Department has spent, over five years, on vehicles and equipment. When the total roads spending of \$1,367,000 (block grant plus local share) is deducted from total DPW capital spending the overall total drops to \$806,000. In 2014 and 2016 *all* DPW equipment/vehicle requests were rejected by voters. 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.” That methodology will not likely be available in the future.

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 will lose that lease payment amount, approximately \$250,000, upon the payment of the final lease annual obligation. The 2013 Fire capital spending included \$180,000 for new breathing equipment, and \$85,000 for a new building exhaust system.

Year	Fire
2013	\$307,000
2014	\$75,000
2015	\$1,600,000
2016	\$120,000
2017	\$45,000
Totals	\$2,147,000

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 is designated for purchase of the so called “Pineo” land, which we have a commitment for a land donation on. If that donation is made we will be able to return that money to the water capital fund. As we look to the future Curtis Clayton, the Water Superintendent, will bring a report on the expenditures against the \$750,000 in 2016 identified for water exploration and the results achieved so far. He will likely ask for some reauthorization of amounts not expended through 2017.

Year	Water
2013	\$152,900
2014	\$270,750
2015	\$158,000
2016	\$1,042,000
2017	\$257,000
Totals	\$1,880,650

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 that year. Voters approved a back up power system for the building in 2014. The 2017 Asset Management article is funded by borrowing, and is anticipated to be covered by a grant. This Department will require some significant capital spending, in particular to upgrade plant equipment, in the years to come.

Year	Sewer
2013	\$15,000
2014	\$42,000
2015	\$62,000
2016	\$96,700
2017	\$60,000
Totals	\$275,700

As previously mentioned 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.” Those two projects combine for \$625,000, or 76.1% of the overall total of \$821,309.

Year	Recreation
2013	\$335,000
2014	\$43,850
2015	\$46,209
2016	\$356,250
2017	\$40,000
Totals	\$821,309

This budget cycle has begun, at the policy level, some interesting discussion on how a CIP program could be funded. It is my hope that those discussions could be continued, as they are productive and informative, and bring new perspectives to our policy makers. Our average spending over this period for capital has been \$1,833,892. 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.) The average over the five years for social service spending is \$149,879, which brings the average for capital and social services combined to just under \$2,000,000 (two million) annually. This is a significant percentage of our overall budget, and a major component of the annual tax rate. This paper, which I will replicate annually, is meant to show just where are capital dollars are going, and will hopefully assist policy makers as they contemplate future CIP plans.