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# Seabrook Capital Spending

## Eight Year History 2013-2020

Town Manager - June 10, 2020

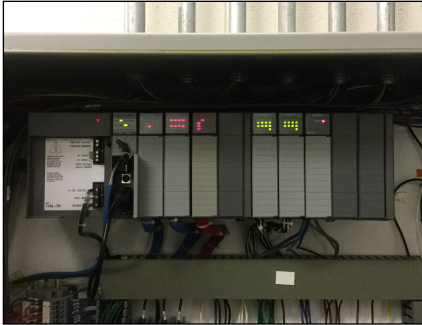
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## Introduction

I have created an eight year history of capital spending in Seabrook, with a look at capital spending between 2013-2020. I have used definitions of spending that will be clearly laid out, with breakdowns between Departments and categories. This report builds on the seven year report that I submitted last year, with the addition of the 2020 totals, by Department and category.



### Seabrook Capital Spending Overall.

The first look will be at the seven year history of total authorized spending over this period. The voters of Seabrook have *authorized capital* spending (CIP) of \$16,691,693 over this eight year period. They have also authorized Social Service spending of \$1,038,358 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 se year aggregate number. I have reviewed the overall CIP number and will reduce it to \$15,302,966, 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. That brings us to the listed number of \$15,302,966, which I shall use as we break that spending down between Departments and categories. (For

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those doing the math the authorized spending number of \$16,691,693 had the \$525,000 removed prior to listing that total, as well as the personnel article number 22 in 2020.)

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.

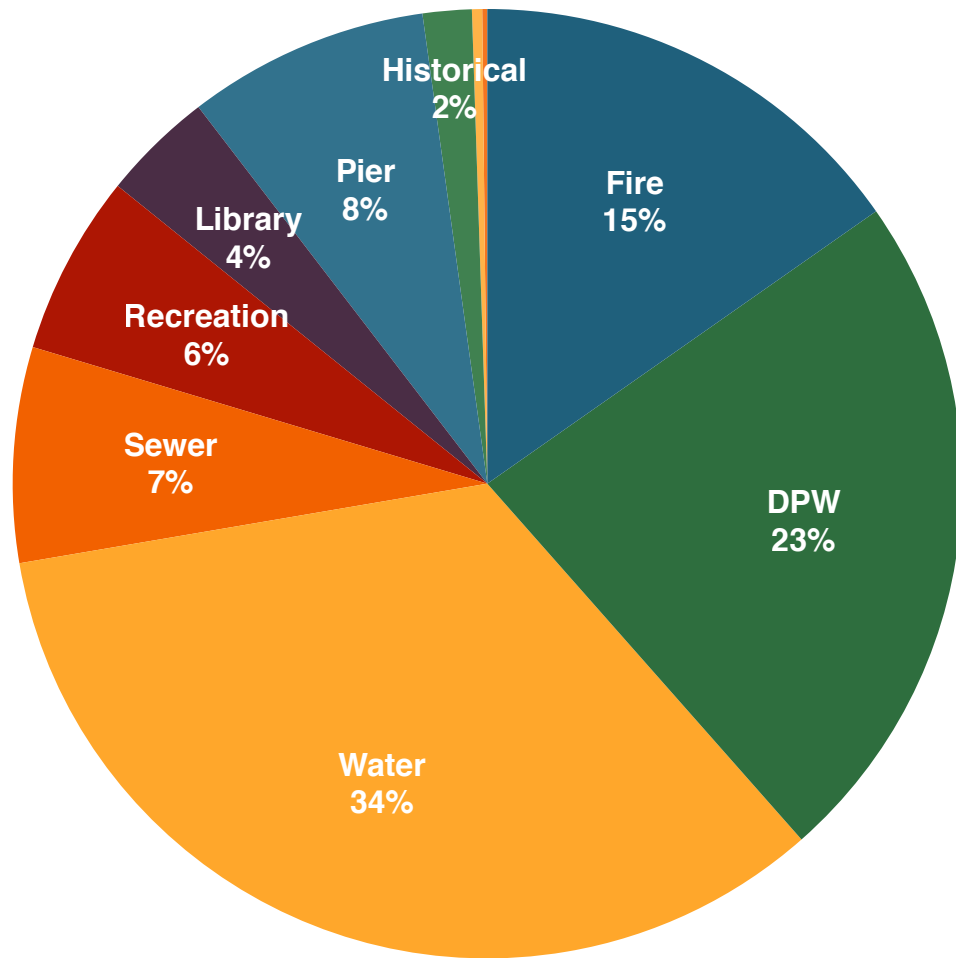
First, let us look at the total authorized spending, by year.

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
2018	\$914,500.00
2019	\$3,864,700.00
2020	\$1,498,034
Total	\$16,691,693

<b>Seabrook Human Services Spending by Year</b>	
2013	\$165,879.00
2014	\$170,414.00
2015	\$160,487.00
2016	\$110,720.00
2017	\$141,987.00
2018	\$94,611.00
2019	\$95,130.00
2020	\$99,130.00
<b>Total</b>	<b>\$1,038,358.00</b>

<b>Department</b>	<b>Amount</b>
<b>Fire</b>	\$2,227,000
<b>DPW</b>	\$3,385,500
<b>Water</b>	\$4,933,350
<b>Sewer</b>	\$1,068,700
<b>Recreation</b>	\$896,309
<b>Library</b>	\$553,000
<b>Pier</b>	\$1,200,000
<b>Historical</b>	\$243,000
<b>Town Hall</b>	\$50,800
<b>Rail Trail</b>	\$25,000
<b>Police</b>	\$720,307
<b>Total</b>	<b>\$15,302,966</b>

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



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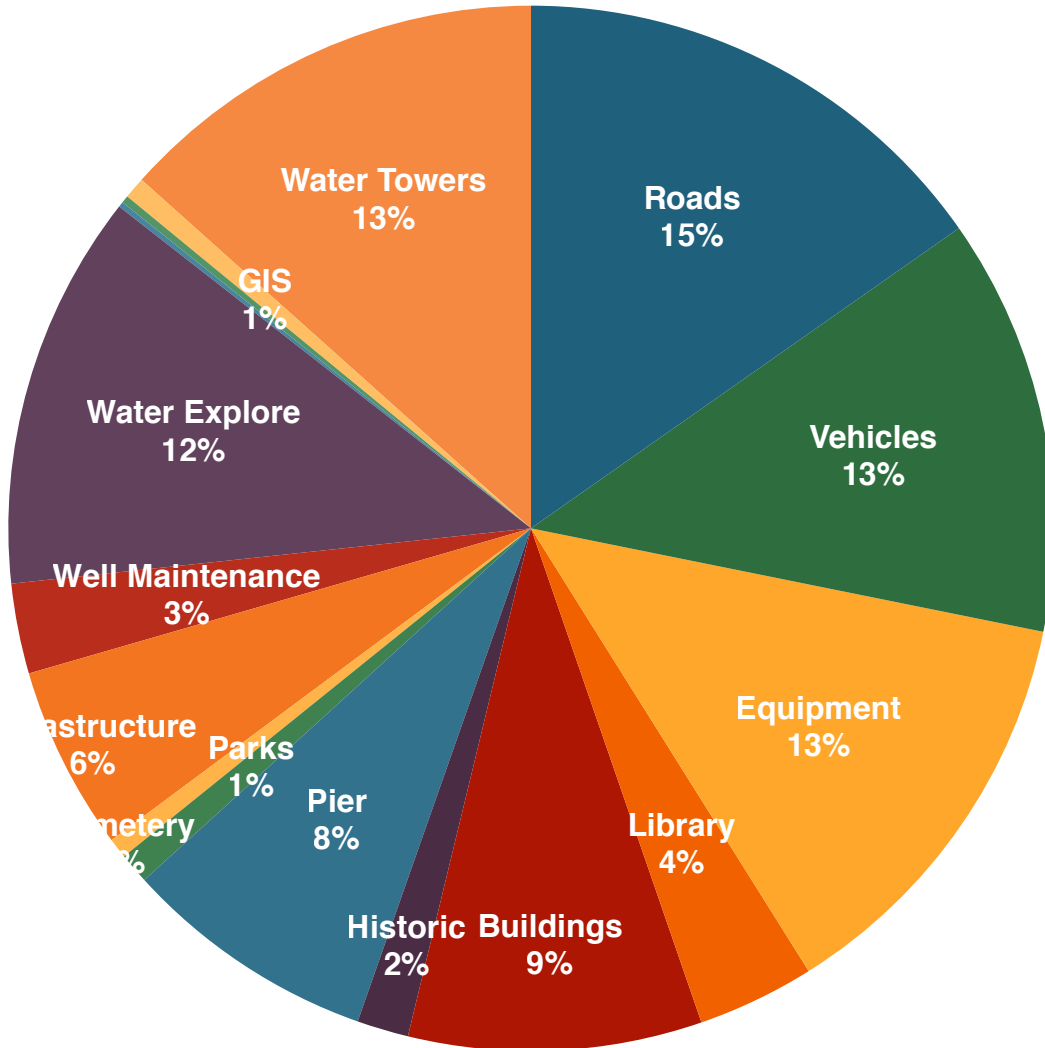
When you take those numbers and apply them to categories the below table shows us where the Town of Seabrook's resources have been applied.

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." 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 \$717,000. (Police cruisers are not included in this number, as they are on a pay/go basis through the budget. That number is \$720,000.) 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 5% of the total. When the mold remediation for Recreation is removed the percentage of the total for "buildings" drops to 7% of the total.

<b>Roads</b>	\$2,326,000
<b>Vehicles</b>	\$1,967,000
<b>Equipment</b>	\$1,967,357
<b>Library</b>	\$553,000
<b>Buildings</b>	\$1,382,359
<b>Historic</b>	\$243,000
<b>Pier</b>	\$1,200,000
<b>Parks</b>	\$144,500
<b>Cemetery</b>	\$95,000
<b>Infrastructure</b>	\$867,900
<b>Well Maintenance</b>	\$425,000
<b>Water Towers</b>	\$2,039,100
<b>Water Exploration/Management</b>	\$1,865,750
<b>Rail Trail</b>	\$25,000
<b>Senior Transportation/Feasibility</b>	\$40,000
<b>GIS/Asset Management</b>	\$162,000
<b>Totals</b>	<b>\$15,302,966</b>

- Roads
- Buildings
- Cemetery
- Rail Trail
- Vehicles
- Historic
- Infrastructure
- Seniors
- Equipment
- Pier
- GIS
- Library
- Parks
- Well Maintenance
- 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
<b>Totals</b>	<b>\$3,385,500</b>	<b>\$1,442,967</b>	<b>\$1,942,533</b>	<b>\$883,033</b>	<b>\$1,059,500</b>

This table allows us to look at the DPW figures and get a more accurate idea of what the Department has spent, over eight years, on vehicles and equipment. When the total roads spending of \$2,326,000 (block grant plus local share) is deducted from total DPW capital spending the overall total drops to \$1,059,500. 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. DPW will soon join that list.

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
Totals	\$2,227,000

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. The 2013 Fire capital spending included \$180,000 for new breathing equipment, and \$85,000 for a new building exhaust system. 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 recommended by the Board of Selectmen in 2019 and 2020, with both articles being approved by voters.

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
<b>Totals</b>	<b>\$5,077,077</b>

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 will be 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.

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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
<b>Totals</b>	<b>\$1,068,700</b>

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 2018 number of \$524,000 had \$480,000 for the 286 outfall pipe, a vital project for Seabrook. That amount was financed through the fund balance. 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.

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
<b>Totals</b>	<b>\$896,309</b>

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.” 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
<b>Total</b>	<b>\$720,307</b>

The Police Department has been under-represented when it comes to inclusion in the capital budgets prepared annually. As mentioned they are on a pay / go system for departmental cruisers, with three included annually through the budget. This total includes a bond issue of \$685,307 for communication equipment and \$35,000 for the police capital reserve account. 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.

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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. In 2020 the voters added \$35,000 to the Police Equipment Capital 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 \$1,912,871. 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 and the pier.) The average over the seven years for social service spending is \$129,795 which brings the average for capital and social services combined to over \$2,000,000 (two 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, 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 two listed projects (Pier and water tower rehabilitation.) The new debt will come online in FY 2021.

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.