

Capital Improvement Program Town of North Reading

Presentation to

Board of Selectmen

September 18, 2006

Capital Definition

- Tangible Assets (equipment, vehicles, buildings) or Projects that cost at least \$5,000.
- Have a useful life of at least 5 years.
- Large Capital presented to April and October town meetings.
- All Capital funded from Free Cash- No debt.

CIP Requirements

- Town Charter: 5-2-2 & 7-4-1 define the process and Town Administrator's role in the annual capital plan and 5 year capital program.
- Additionally, a CIP demonstrates sound fiscal planning and effective leadership by coordinating capital needs and operating budget expenditures where they have the greatest impact due to restricted funding.

CIP Process

- **Finance Director and Town Administrator compile, evaluate and rate requests.**
 - *What are the general benefits of the project?
 - *Does the expenditure contribute to town goals, plans, policies or programs?
 - *What is the total cost and tax impact?
 - *Are there legal or public safety implications?
 - *Is the project acceptable to the public?

CIP Priorities

Is it a good project and is it affordable?

- Risk to public safety and health *(priority 1)*
- Categorization as a critical deteriorated facility or equipment *(priority 2)*
- Facility or equipment being systematically rehabilitated or replaced to meet a clear need *(priority 3)*
- Impact on the operating efficiency of the department or town *(priority 4)*
- Coordination with another project, law or goal of the Town *(priority 5)*
- Provision of equitable services to all residents, or ones identified as under served *(priority 6)*
- Impact on the protection or improvement of the Town's natural resources *(priority 7)*
- Introduction as a new or substantially expanded Town facility *(priority 8)*

October Requests

- \$2,292,722 total value of all CIP requests rated by Priority 1-8.
- Total available funds for operating budget and CIP is estimated at \$1,895,704 (State Aid & Free Cash).
Reduced By.....
- Operating budget/article needs
- Solid Waste Stabilization (NESWC)
- Retain Free Cash balance for April town meeting for unknown cost increases or CIP.
- Funding Recommended for Priority 1 – 3 = \$707,872

CIP Priority #1

- Priority 1 \$123,472

*Police Cruiser \$36,338

*Police Portable Radios \$51,134

*Fire $\frac{3}{4}$ Ton Pick-up \$36,000

CIP Priority #2

- Priority 2 \$230,000

*School SPED Van \$30,000

*DPW Dump w/ Plow \$50,000

*Fire Radios \$150,000

CIP Priority #3

Priority 3 \$354,400

- *School Feasibility Study *\$35,000*
- *School Technology Lease \$32,000
- *DPW Pick-up \$20,000
- *Recreation Soil Reliever Equipment \$32,400
- *Finance Software \$175,000
- *Town Hall Telephone System \$60,000
- *Vehicle Pool *\$0*

CIP Priority #4 to #8

- *Middle School Fields
- *Modular Classrooms
- *Police Tire Changer
- *Police ID System
- *DPW Road Program
- *DPW Cemetery Expansion
- *Fire SUV
- *Fire Thermal Image

CIP Priority #4 to #8

- *Elder Affairs Van
- *Technology Abutter Tool
- *Technology GIS Updates
- *Technology Laptop Computers
- *Recreation Rink Renovations
- *Public Building Improvements
- *Town Vehicle Pool

Recap...\$1,895,704

- Budget Additions \$725,832
 - Town Schools, Voc. School, Fire, Police, Solid Waste, Recreation, Salary Pool.
- Solid Waste Stabilization \$262,000
- Retained Free Cash \$200,000
- Capital \$707,872