

Town of
MERRIMAC, MASS.

Report of the
CAPITAL PLANNING COMMITTEE

April/May 2011

*Tax impact on home valued at \$325,500
resulting from recently voted or proposed
debt exclusions and general overrides*

*Summary of the recommendations
to be presented at the Annual Town Meeting
to begin on Monday, April 25, 2011
and continued until concluded*

*Presentation of requested
capital expenditures through FY '14
and summary of status of Stabilization Fund*

Town of Merrimac Capital Planning Committee

To the Voters and Taxpayers of Merrimac,

The Capital Planning Committee (CPC) makes recommendations only on items that have a life duration of at least five years and an initial cost of \$10,000 or more. As specified in the Town's By-laws, our priorities for recommending capital expenditures are based on the following criteria in the order given:

- A. Necessary to respond to state or federal mandate
- B. Public health and safety consideration
- C. Operational necessity

The CPC considers the availability of funding for capital purchases/projects from four primary sources – user fee revenues, certified Free Cash, transfers from the Stabilization Fund, or borrowing for major expenditures within the Town's debt service capacity – when applying the above criteria in making its recommendations.

The CPC recommends that \$121,073 be expended from certified Free Cash for FY'12 for capital items for town departments and the elementary schools. The CPC also recommends that the Town borrow \$3,400,000 for the purpose of extraordinary, energy saving repairs to the Donaghue and Sweetsir elementary schools with 51.42% to be reimbursed by the state "Green Repair" program. Other recommended expenditures involve transfers by Wastewater Treatment and Water departments from their respective retained earnings and a borrowing on behalf of the Water department that will be paid off through rate payer fees.

In addition to making recommendations to Town Meeting for the upcoming fiscal year's requests, CPC is responsible for examining departments' capital requests for the next five years and projecting what revenues will be available to fund those purchases/ projects. The attached spreadsheets report the capital expenditures that have been voted by the Town since FY '05, and what the departments have requested through FY '14.

Respectfully submitted by the Town of Merrimac Capital Planning Committee,

Janet Bruno
Patty Dillon (representing the Finance Committee)
Ed Madden
Carol Traynor (representing the Board of Selectmen)
Sandra Venner, Chairperson

Capital Planning Committee Recommendations for FY '12

ITEM	AMT. & SOURCE	PRIORITY	RECOMMENDATION
Special Town Meeting			
Article 2h: Server for Town Dept.	\$10,073	C	yes
Article 2i: Bodies for Highway Trucks	\$26,000	C	yes
Article 2j: Police Cruiser	\$35,000	B	yes
Article 2l: Fire Command Vehicle	\$35,000	B	yes
Article 2m: Donaghue School floor	\$15,000	C	yes
Article 5: Wastewater Disinfection System	\$70,000	B	yes
Article 6: Wastewater Discs for Aerobics	\$15,000	C	yes
Article 7: Wastewater pump station eng.	\$70,000	C	yes
Article 8: Water rehab well field	\$345,000	C	yes
Article 9: Water rehab storage tanks	\$295,000	A	yes
Article 10: Water booster pump engin.	\$145,000	A	yes
Article 11: Elementary school repairs	\$3,400,000	C	yes

History of Stabilization Fund Balance

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Stabilization Balance	\$502,213	\$532,767	\$511,350	\$603,471	\$608,110	\$613,162
% of Omnibus	5.23%	4.96%	4.92%	5.45%	5.27%	5.20%

5-10% is considered necessary for secure financial status. Under 5% can negatively impact bond rating.

Tax Impact on Home Valued at \$325,500

Resulting from Debt Exclusions and General Overrides

Debt Exclusions - Impact on property tax rate is for the duration of debt service - usually 20 years for major capital expenditures.

	Amount	FY2008	FY2009	FY2010	FY2011	FY2012
Sweetsir Building and Equipment	\$ 875,000	\$ 23	\$ 11	\$ 2	\$ (8)	\$ (18)
Pentucket Capital Project	\$ 12,640,000	\$ 5	\$ (1)	\$ (1)	\$ (11)	\$ (16)
Town Hall Renovation and Addition	\$ 2,850,000	\$ 115	\$ 113	\$ 114	\$ 108	\$ 101
Construction of New Library	\$ 2,351,263	\$ 97	\$ 95	\$ 96	\$ 91	\$ 86
Total Debt Exclusions		\$ 239	\$ 218	\$ 211	\$ 179	\$ 153

General Overrides - Impact on property tax rate is permanent and can increase each year by 2 1/2%, but decreases when reevaluated property values go up.

	Amount	FY2008	FY2009	FY2010	FY2011	FY2012
School Operating Budget - FY2002	\$ 167,768	\$ 95	\$ 97	\$ 103	\$ 102	\$ 101
School Operating Budget - FY2003	\$ 243,818	\$ 134	\$ 138	\$ 146	\$ 145	\$ 143
Library Operating Budget - FY2005	\$ 35,034	\$ 18	\$ 19	\$ 20	\$ 20	\$ 20
School Operating Budget - FY2006	\$ 484,500	\$ 248	\$ 254	\$ 270	\$ 268	\$ 264
EMT-Firefighter - FY2008	\$ 47,000	\$ 23	\$ 23	\$ 25	\$ 25	\$ 24
COA Nutrition Program - FY2008	\$ 31,700	\$ 15	\$ 15	\$ 16	\$ 16	\$ 16
On Call Firefighter/EMT - FY2009	\$ 50,000	N/A	\$ 24	\$ 26	\$ 26	\$ 25
Schools Operating Budget - FY2010	\$ 315,000	N/A	N/A	\$ 159	\$ 158	\$ 156
School Operating Budget - FY2012	\$ 300,000	N/A	N/A	N/A	\$ -	\$ 154
Total General Overrides		\$ 533	\$ 571	\$ 765	\$ 759	\$ 903
Combined Total Impact of Debt Exclusions and Overrides		\$ 773	\$ 789	\$ 975	\$ 938	\$ 1,056

*Impact on tax rate for FY'12 is contingent on approval at the April 25th Special Town Meeting, and approval of a General Override at the May 2nd Town Election.

**CAPITAL PLANNING COMMITTEE
TOWN OF MERRIMAC, MASSACHUSETTS 01860**

Summary Sheet

Department	Voted 05	Voted 06	Voted 07	Voted 08	Voted 09	Voted 10	Voted 11	Req 12	Req 13	Req 14	Total
Cemetery	\$ 10,000	\$ 5,000	\$ 20,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000
COA	\$ -	\$ -	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ 42,000
Elementary Schools	\$ -	\$ 135,000	\$ -	\$ -	\$ 189,700	\$ -	\$ -	\$ 3,415,000	\$ 320,000	\$ -	\$ 4,039,700
Fire	\$ -	\$ 124,000	\$ 12,900	\$ 10,800	\$ 57,000	\$ -	\$ -	\$ 35,000	\$ 41,000	\$ -	\$ 280,700
Highway	\$ 7,500	\$ 55,000	\$ -	\$ -	\$ 36,000	\$ -	\$ -	\$ 26,000	\$ 47,000	\$ -	\$ 171,500
Park and Rec	\$ 50,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 568,000
Police	\$ 34,000	\$ 94,000	\$ 43,000	\$ 34,000	\$ -	\$ -	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 345,000
Selectmen	\$ -	\$ 182,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,073	\$ -	\$ -	\$ 172,073
Sewer	\$ 175,000	\$ -	\$ 71,000	\$ 255,000	\$ 160,000	\$ 258,000	\$ 129,000	\$ 155,000	\$ 306,000	\$ 30,000	\$ 1,539,000
Water	\$ -	\$ 59,000	\$ 35,000	\$ -	\$ 63,500	\$ -	\$ 155,780	\$ 785,000	\$ 15,000	\$ -	\$ 1,113,280
All Others	\$ -	\$ -	\$ 10,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,600
TOTAL	\$ 276,500	\$ 634,000	\$ 204,500	\$ 304,800	\$ 504,200	\$ 258,000	\$ 319,780	\$ 4,461,073	\$ 1,294,000	\$ 65,000	\$ 8,321,853

Funding Sources:

Taxation											
Library Constr Bond for Donaghue					\$ 101,200						
Sewer Capital/Development Fund	\$ 175,000		\$ 71,000	\$ 255,000	\$ 100,000						
Water Capital/Privilege		\$ 59,000	\$ 35,000		\$ 63,500			\$ 216,547			
Town Hall Renovations A&E Bond									\$ 155,780		
Water Retained Earnings											
Water Bonding											
River Road Betterment Bond											
Water Transfer											
Sewer Retained Earnings					\$ 60,000	\$ 183,000	\$ 129,000	\$ 64,472			
Sewer Settlement Reserve						\$ 75,000		\$ 155,000			
Emery St. Betterment Bond											
Receipts Reserved - Open Space	\$ 150,000										
Stabilization Fund	\$ 51,500			\$ 49,800	\$ 43,000						
Bonding Appropriation	\$ 50,000	\$ 172,000	\$ 98,500		\$ 136,500		\$ 35,000	\$ 3,400,000			
Free Cash Appropriation								\$ 121,073			
TOTAL	\$ 276,500	\$ 634,000	\$ 204,500	\$ 304,800	\$ 504,200	\$ 258,000	\$ 319,780	\$ 4,461,073	\$ 1,294,000	\$ 65,000	\$ 8,321,853

Cemetery

Description:	Voted 05	Voted 06	Voted 07	Voted 08	Voted 09	Voted 10	Voted 11	Req 12	Req 13	Req 14	Total
Mower replacement/new	\$ 5,000										\$ 5,000
Stone Wall repair/Church Street*	\$ 5,000	\$ 5,000	\$ 20,000								\$ 20,000
Repair Rds. Locust Grove				\$ 5,000							\$ 5,000
TOTAL	\$ 10,000	\$ 5,000	\$ 20,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000

* One-third of costs from Perpetual Care with the commitment from the Town not to exceed \$20,000.

Council on Aging

Description:	Voted 05	Voted 06	Voted 07	Voted 08	Voted 09	Voted 10	Voted 11	Req 12	Req 13	Req 14	Total
Replace HVAC			\$ 12,000						\$30,000		\$ 30,000
Parking lot repairs											\$ 12,000
Total:	\$ -	\$ -	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ 42,000

Elementary Schools

Description:	Voted 05	Voted 06	Voted 07	Voted 08	Voted 09	Voted 10	Voted 11	Req 12	Req 13	Req 14	Total
Donaghue replace roof ventilators									\$ 20,000		\$ 20,000
Sweetsir Sewer & Driveway		\$ 135,000									\$ 135,000
Replace roof on Donaghue					\$ 101,200						\$ 101,200
Donaghue bathrm floor tiles					\$ 8,000						\$ 8,000
Sweetsir classrm doors					\$ 10,000						\$ 10,000
Sweetsir replace asbestos tile					\$ 40,000				\$ 135,000		\$ 175,000
Sweetsir replace carpet w/ tile					\$ 10,500			\$ 15,000			\$ 25,500
Donaghue replace asbestos tiles									\$ 35,000		\$ 35,000
Sweetsir Energy control									\$ 75,000		\$ 75,000
Sweetsir parking lot paving									\$ 75,000		\$ 75,000
Donaghue parking lot paving								\$ 3,400,000			\$ 3,400,000
Donaghue and Sweetsir "Green Repairs"								\$ 3,415,000	\$ 320,000	\$ -	\$ 3,735,000
Total:	\$ -	\$ 135,000	\$ -	\$ -	\$ 169,700	\$ -	\$ -	\$ 3,415,000	\$ 320,000	\$ -	\$ 4,039,700

Fire

Description:	Voted 05	Voted 06	Voted 07	Voted 08	Voted 09	Voted 10	Voted 11	Req 12	Req 13	Req 14	Total
Life Stats Transmission									\$25,000		\$ 25,000
Air pack replacement			\$ 12,900		\$ 14,000						\$ 26,900
Pumper repair									16,000		\$ 16,000
Ambulance		\$ 118,000						\$35,000			\$ 153,000
Chief's vehicle											\$ 35,000
Ladder Truck/Repair		\$ 6,000			\$ 43,000						\$ 49,000
Industrial Washer											\$ 6,000
Fire alarm system				\$ 10,800							\$ 10,800
Total:	\$ -	\$ 124,000	\$ 12,900	\$ 10,800	\$ 57,000	\$ -	\$ -	\$ 35,000	\$ 41,000		\$ 280,700

Highway

Description:	Voted 05	Voted 06	Voted 07	Voted 08	Voted 09	Voted 10	Voted 11	Req 12	Req 13	Req 14	Total
10' Plow		\$ 7,500									\$ 7,500
Pick-up Truck w/plow					\$ 36,000						\$ 36,000
1 Ton Diesel Dump		\$ 40,000							\$47,000		\$ 87,000
Garage 4 Post Lift	\$ 7,500	\$ 7,500									\$ 15,000
Dump Bodies (2)								\$ 26,000			\$ 26,000
Total:	\$ 7,500	\$ 55,000	\$ -	\$ -	\$ 36,000	\$ -	\$ -	\$ 26,000	\$ 47,000		\$ 171,500

Park and Recreation

Description:	Voted 05	Voted 06	Voted 07	Voted 08	Voted 09	Voted 10	Voted 11	Req 12	Req 13	Req 14	Total
Engin. Study-Emery St	\$ 50,000										\$ 50,000
Emery St fields improvement									\$ 500,000		\$ 500,000
Utility Tractor					\$ 18,000						\$ 18,000
Total:	\$ 50,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -	\$ -	\$ -	\$ 500,000		\$ 568,000

Police

Description:	Voted 05	Voted 06	Voted 07	Voted 08	Voted 09	Voted 10	Voted 11	Req 12	Req 13	Req 14	Total
Cruiser	\$ 34,000	\$ 34,000	\$ 34,000	\$ 34,000	\$ -	\$ -	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 276,000
Firearms			\$ 9,000								\$ 9,000
Police & Fire Base Radios		\$ 60,000									\$ 60,000
TOTAL	\$ 34,000	\$ 94,000	\$ 43,000	\$ 34,000	\$ -	\$ -	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 345,000