

Capital Investment Plan

This Comprehensive Plan strongly supports programming and scheduling of capital improvements as part of the town's annual budgeting and administrative process. A Capital Improvements Plan (CIP) is a process for identifying public facilities that will require major investment over the coming years either due to growth or due to capital deterioration. The CIP determines the priority, and when each investment will be necessary and how to pay for it. This Capital Investment Plan establishes an approach for the development of a formal Capital Improvements Plan.

Why a CIP?

The CIP allows Readfield to predict upcoming major expenses – no surprises.

- The town can have a reasoned discussion about priorities.
- Having a pre-planned list enables Readfield to take advantage of unexpected opportunities like grants and low interest rates.
- Capital planning helps to forecast and mitigate tax impacts.

The CIP Process:

- The town determines the scope of the CIP. The CIP for this Comprehensive Plan is a condensed version of our full CIP, which is reviewed and adjusted annually, and only includes items above \$20,000 and does not include the normal road maintenance and a paving schedule. This condensed CIP sets a plan window of ten years.
- Our annually reviewed CIP is based on an estimated asset replacement schedule and captures capital expenses from one to 50 years and has a focus of five years due to the relative uncertainty of anything beyond that term. It includes a paving element based on a comprehensive paving schedule that considers the maintenance needs of all of our public roads. Paving costs were added to the CIP process around 2017 to better capture one of our most significant areas of recurring capital expense.
- Items and prospective costs are identified for inclusion. In Readfield's case, items range from repair of existing facilities (e.g., the library), to acquisition of new facilities (e.g., open space land), to acquisition of new or replacement equipment (e.g., a compactor for the transfer station). Costs are estimated - "ballpark" – and priorities are set.
- The source of funding is identified (*see below*). There may be more than one alternative.
- Timing and priorities are assigned. Generally, a high priority is reserved for items affecting public health or safety. Conversely low priorities are "wish list" items. Timing can be consistent with priority, but the purpose of the plan is to balance costs over time so if too many items are coming from a single funding source, they may have to be staggered. In Readfield's case, a target date has been set but not limited by an ability to act sooner, if funding becomes available.

- In some cases, the cost, priority or timing of improvements is contingent on decisions that require greater scrutiny and public input. .

Financing the CIP:

A source of funding for each item has been identified. The less certain the item is, the more speculative the funding can be.

- Annual appropriations: While funding a major purchase in a one-time annual appropriation can be too disruptive to the budget, it works for lower-priced equipment or when a continuing monetary stream can be tapped for regular needs. Such is the case for road equipment in Readfield's CIP.
- Reserve Accounts or Bonding: Readfield in the past has used both reserves (saving for a number of years for a future purchase) and bonding (borrowing over time for an immediate purchase). Both of these techniques allow the cost of major expenditures to be spread out over time.
- Grants: Grants are generally competitive and, therefore, not assured. A grant is acceptable for "wish list" items, but not for essentials. A grant search should be part of the annual CIP update process.
- Outside contributions: In many cases other organizations may join with the town to contribute to a project of joint benefit. This may include other towns (such as for transfer station improvements) or associations (such as for construction of a new ballfield). While this source of funds may be more reliable than grants, it requires coordination with timetables outside of the town's control. Funding for some items, such as open space acquisition, may come from fees assessed by the town, but would be limited to the rate at which fee revenue is accrued.

The financing of the CIP may come from any of a mix of sources, but the most important element is to ensure that the impact on the annual town budget is spread out over time. Under this Plan, the major impacts will come from bonding. Readfield is fortunate in that it has done an exceptional job of managing bond financing and has ample surplus capacity to meet our future needs. Items in the planning matrix (*below*) proposed for bonding include:

- In 2023 install a sprinkler system in the fire station - \$200,000
- In 2023 repair the 2nd floor and egress at the library - \$50,000
- In 2025 replace Fire Engine 61 - \$500,000
- In 2026 install a large canopy over the Transfer Station bins and equipment - \$250,000 (to be paid for through multi-town reserve)

Readfield Capital Investment Planning Matrix (Preliminary):

The table on the below provides a suggested approach to the CIP based on recommendations of the Comprehensive Plan. The formal Capital Improvements Plan is established and revised annually by the Select Board and Budget Committee.

Capital Planning Summary - 10-Year Horizon, over \$10,000

Department	Project / Need	Priority	Est. Repl.	Est. Cost New	Primary \$ Source
Library	Library Building Parking Lot Paving	Low	2023	20,000	Reserves
Library	Library Building Egress & 2nd floor	Medium	2022	50,000	Bond
Administration	Gile Hall Reserve	High	0	20,000	Taxes
Administration	Gile Hall Boiler / HVAC	Medium	2027	25,000	Reserves
Administration	Gile Hall 2nd Floor Heat Pumps	High	2022	15,000	Reserves
Administration	Gile Hall Windows	Low	2025	50,000	Reserves
Administration	Gile Hall Septic system	Medium	2028	25,000	Reserves
Administration	Gile Hall Parking Lot	Low	2026	30,000	Reserves
Recreation	Fairgrounds Community Park	High	2023	700,000	Grants
Recreation	Open Space Reserve	Medium	0	50,000	Taxes
Recreation	Beach Group Activity Shelter	Low	2024	25,000	Grants
Recreation	Beach Building	Low	2025	50,000	Taxes
Roads	Maintenance Paving (Annual)	High	0	175,000	Taxes
Roads	Church Rd. Sidewalk	Medium	2024	50,000	Grants
Roads	Readfield Corner Parking	High	2023	30,000	Taxes
Roads	P-Ridge and Nickerson Hill Int.	Medium	2023	30,000	Taxes
Roads	Salt/Sand Shed - New	High	2023	150,000	Reserves
Roads	Salt/Sand Shed (old) Paved Pad	Low	2028	15,000	Reserves
Roads	Giles Rd. Bridge	Low	2026	125,000	Reserves
Transfer Station	Multi-Town Reserve	High	0	25,000	Taxes
Transfer Station	Recycling Compactor	Medium	2024	50,000	Reserves
Transfer Station	Open-top Roll-off 40yd containers	Low	2025	25,000	Reserves
Transfer Station	MSW / SSR Roof System	High	2026	250,000	Bonds
Transfer Station	New Access Road Paving	Medium	2031	25,000	Reserves
Transfer Station	Access Loop Paving	High	2023	25,000	Reserves
Transfer Station	Parking Lot Paving	Medium	2031	25,000	Reserves
Transfer Station	Big Building Boiler / HVAC	Medium	2027	15,000	Reserves
Transfer Station	Big Building Roof	High	2027	15,000	Reserves
Fire Department	Engine.61, pumper - new	Medium	2025	500,000	Bonds

Fire Department	Radio Equipment / Repeaters	High	2028	40,000	Reserves
Fire Department	Rescue Boat	Medium	2028	15,000	Grants
Fire Department	ATV	Medium	2029	15,000	Grants
Fire Department	Misc. Equipment (Reserve)	High	0	10,000	Taxes
Fire Department	Sprinkler System	High	2022	200,000	Bonds
Fire Department	Parking Lot Paving	Low	2028	30,000	Reserves
Maintenance	Misc. Equipment (Reserve)	High	0	15,000	Taxes
Maintenance	2016 Ford F550	High	2028	65,000	Reserves
Maintenance	John Deere Mower Attachment	Medium	2028	10,000	Reserves
Maintenance	John Deere Zero Turn Mower	High	2025	15,000	Reserves