



January 15, 2026

EXECUTIVE SUMMARY
Capital Improvement Plan (CIP)
FY2027–2031 with Future Preview to FY2040

Overview

The Capital Improvement Plan (CIP) is the Town of Hermon's primary long-range planning tool for managing major capital investments. The FY2027–2031 CIP, with a future preview through FY2040, provides a structured approach to maintaining infrastructure, replacing aging equipment, and planning for future facility and service needs.

The CIP is a planning document and does not authorize spending. Projects included are subject to annual budget approval and, where applicable, voter authorization.

Key Objectives

- Maintain and replace critical municipal infrastructure and equipment
- Provide predictable, phased capital investment over time
- Minimize financial and tax impacts through reserve funding strategies
- Support long-term service reliability and public safety

Funding Strategy

Capital projects may be funded through:

- Annual operating budget appropriations
- Multi-year reserve funds
- Grant funding
- Commercial loans or municipal bonds

Existing obligations, including school bond payments and the track loan, total approximately \$950,000 annually and are expected to continue.

Reserves Funding balance (as of December 31, 2025) is combined for all town accounts at \$1,986,560.

Mailing Address
333 Billings Rd
Hermon, ME 04401

Telephone: 207-848-1010
Fax: 207-848-3316

Physical Address
333 Billings Rd
Hermon, ME 04401

Five-Year Highlights (FY2027–FY2031)

The five-year CIP emphasizes:

- Emergency services vehicles and equipment replacement
- Annual road construction and paving programs
- Public Works vehicles and facility upgrades
- Sewer infrastructure reliability
- Cemetery maintenance

Several major purchases are structured as phased, reserve-funded projects to reduce year-to-year financial impact.

Long-Term Outlook (FY2032–FY2040)

The future preview identifies anticipated needs across fire services, roadways, facilities, sewer, cemetery, and recreation. Preliminary planning estimates include:

- Operating Budget: ~\$12.38 million
- Annual Capital: ~\$731,200
- Reserve Funding: ~\$5.51 million

Some projects are identified without cost estimates and will require future evaluation.

School Department Capital Planning

The Hermon School Department maintains a separate capital planning process. School-related capital costs are included within the School Department's operating budget and are not part of the Town CIP projections.

Conclusion

The Capital Improvement Plan provides the Town Council with a clear, forward-looking framework for managing infrastructure, facilities, and equipment investments. It supports fiscal responsibility, service reliability, and informed decision-making while maintaining flexibility to respond to changing conditions.

Stephen Fields
Town Manager