



Capital Improvement Plan (CIP)

FY2026-2027

January 15, 2026

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Framework

A Capital Improvement Plan is an integral part of a community's budgeting process and is regulated with Maine Statute. The Town reserve accounts are guided by Maine Title 30-A, Chapter 223, Reserve Fund, §5801. The School reserve accounts are guided by Maine Title 20-A, Chapter 105, Reserve Fund §1706.

The Town and School develop respective Capital Improvement Plans for budget planning.

The Capital Improvement Plan (CIP) is a five-year plan for the financing of major projects that represent significant contributions to the town's overall inventory of physical assets. As a long-range plan, the CIP reflects the town's policy regarding physical and economic development. By creating a planned schedule of public improvements, the CIP outlines present and future public needs and priorities and provides public and private sector decision-makers with valuable information on which to base investment decisions. It also represents:

1. Information for individual taxpayers, neighborhoods, and other civic groups interested in the town's growth and development;
2. A statement of intention for federal and state agencies who provide grants to the town; and
3. A source of information for potential developers.

In addition, the CIP is an integral part of the Town's budgeting process, with the first year of the plan representing the actual budget for the year's capital projects. Approval of the CIP by the Town Council establishes the town's official commitment to the first-year projects, with conditioning approval for those projects listed in the upcoming future planning years.

Capital project planning is an ongoing process. Each year, the CIP is updated, with the deletion of the 'prior year' and the addition of a planning year, to maintain the full five-year period of the program. Projects have been tentatively scheduled in previous CIP's are reassessed, along with new, proposed projects. A test of the effectiveness of the capital planning process is the orderly way projects are planned for, scheduled, and finally budgeted, year-by-year.

By projecting and scheduling capital improvements in advance the town benefits in several ways:

1. The need for 'crash programs' to finance the construction of town facilities is reduced or eliminated;
2. Capital facilities are placed in an orderly manner;
3. Budgeting may take place within a system which assures that capital projects will be built according to a predetermined priority system while planning in advance for the revenue needed to finance and complete these capital projects;
4. Advance planning is permitted to ensure that projects are well thought out in advance of construction;
5. Major purchases may be scheduled to benefit from favorable market conditions;

6. Coordination with the operating budget is maximized. An important aspect of capital improvement planning is that the effect that capital projects have upon the annual operating costs of the town. When a new facility is established, the costs of maintaining and staffing the facility must be funded in the annual budget. Advance knowledge of those costs aids the budget process;
7. Interrelationships among projects that may be overlooked by individual departments are revealed. For example, the process can coordinate the timing of projects in the same location to avoid paving a street one year and tearing it up the next to lay a sewer line; and
8. An overview of the current and future capital requests is provided, which enables an assessment of all capital expenditures and establishes priorities in a comprehensive framework rather than through many decision process steps.

Reserve Funds – Statutory Guidance

Reserve Funds summarized by Maine Municipal Association Legal Department, December 2004. This reference is for the Town use of reserve funds. The School is referenced in Maine Law Title 20-A, not included.

Under Maine law (30-A M.R.S.A. §§ 5801, 5802), a municipality can budget for both anticipated and unanticipated future expenditures by establishing a reserve fund, which may be funded by appropriation or by transfer of unencumbered surplus at the close of any fiscal year.

A reserve fund may consist of one or more of the following accounts:

Capital improvement account, for financing acquisition or reconstruction of a specific or a type of capital improvement (such as buildings, roads, sewers, etc.);

Capital equipment account, for financing acquisition of a specific item or type of capital equipment (such as vehicles, machinery, etc.);

Credit reserve account, for financial emergencies, so that normal operations can continue without a tax increase; and

Sinking fund account, for paying down a funded debt.

There is no limit on the funding of these accounts except that the annual appropriation for a credit reserve account may not exceed 5% of the current tax commitment.

A reserve fund must be deposited or invested by the treasurer under the direction of the municipal officers (selectmen or councilors) in accordance with the laws governing municipal investments (see 30-A M.R.S.A. §§ 5706-5719; see also "Investment Law," MAINE TOWNSMAN, January 1996). Any interest or capital gains accrue to and become part of the fund and must be prorated among the accounts unless otherwise directed by the municipal

legislative body (town meeting or town or city council).

An expenditure from any account of the fund may be made only for the specific purpose for which the account was established. As trustees of the reserve fund, the municipal officers may authorize expenditures without a further vote of the legislative body, except for withdrawals from a credit reserve account, which require an order by the legislative body. The balance of any reserve account may, by vote of the legislative body, be transferred to another reserve account or to surplus when the purpose for which it was established has been accomplished or abandoned. Unauthorized use of any assets in a reserve fund by any municipal official is a Class C crime punishable by a fine of not more than \$2,000 or by imprisonment for not more than two years. (By R.P.F.)

Supporting Town documentation (attached)

Capital Equipment, infrastructure and facility growth, to include requirements, have been identified over many years for the town.

Land requirement. The 2003 Final Report, “A review and evaluation of existing municipal facilities” by Gordon Stanley Architecture, identified the need for land to be acquired by the Town to plan for facility management and expansion.

National Fire Protection Association establishes the standards for rotation of fire apparatus and equipment. The current standard details that fire apparatus be in service up to 15 years (from date of manufacturing) and then be placed into reserve status up to the 25-year date, at which time the apparatus is no longer eligible to be in service. Based on the Town Fire Department aging fleet, this will be an impact on the CIP and Reserve funding.

Comprehensive Plan 2010 and 2023. The plans are developed to assist the community, Council, and administration of the vision for the town growth, stability, and sustainability in financial, economic development and administration of town operations. The two following sections support the capital improvement plan actions and requests.

1. Identify the public facilities and services requirements for future needs within the CIP planning process.
2. Fiscal capacity and Capital Investment Plan support the requirement and need of adequate funding for the CIP.

Funding sources

Funding sources encompass local revenue appropriations, municipal tax increment financing (TIF), undesignated fund balance, federal and state grant funding, and/or other sources (for example, sale of vehicle/assets).

Funding has been proposed based on current policy and requesting to use a portion, under allowed percentage, of undesignated funds.

Reserve Fund Status

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

Capital Equipment/Vehicle/Facility/Infrastructure

The list contained below has been identified as future anticipated needs from the Town Manager and Staff. The list is not all inclusive but captures most items.

Not all inclusive list

**Special Note: Year/Value is the recommend year to implement and includes a phase reserved finance approach.*

Code Enforcement	Electronic File Records System to GIS Assessing - Full List and Measure "Revaluation" (outsourced RFP) = 2031/\$500,000
Assessing	
Fire Department	Fire Vehicle, Engine 411(2009) (20yrs) = 2029/\$1,082,000
Fire Department	Fire Vehicle, Engine 401(2023) (20yrs)
Fire Department	Fire Vehicle, Tanker 404(2015) (20yrs)
Fire Department	Fire Vehicle, Utility (2009)406 (15yrs)
Fire Department	Fire Vehicle, Cheif's Car 400(2023) (7yrs) = 2030/\$132,000
Fire Department	Fire Vehicle, Ambulance(2024) 409 (7yrs) = 2032/\$1,012,000
Fire Department	Fire Vehicle, Ambulance 419 (7yrs) = 2028/\$550,000
Fire Department	Fire Vehicle, Boat 40 (20yrs)
Fire Department	Fire Vehicle, Snowmobile/Snowbulance 40 (2020)(20yrs)
Fire Department	Fire Trailer (2018)(20yrs)
Fire Department	Self Contained Breathing Apparatus (2013)(15yrs) = 2028/\$315,000
Fire Department	Breathing Air Compressor(2019) (15yrs)
Fire Department	Gear Extractor, Decon Washer, Gear Dryer(2020) (15 years)
Fire Department	Chest Compression Devcie (2024)(10yrs)
Fire Department	Hydrolic Rescue Tools(2018) (10yrs) = 2028/\$100,450

Fire Department	Cardiac Monitor (2023)(7yrs) = 2030/\$82,000
Fire Department	Cardiac Monitor(2025) (7yrs) =2032/\$90,200
Public Works	Finance Operating System
Public Works	Summer Road Projects* (Note: 3 yr period to \$1M)
Public Works	PW Ops Software (year 1 includes setup cost 3yr contract)
Public Works	Tablet
Public Works	Emergency Road Repair
Public Works	PW 1 (turn key) (2017) (7yrs)
Public Works	PW 2 (turn key) (2015) (7yrs) (Dump body rusted out)
Public Works	Sand shed
Public Works	Salt shed
Public Works	Small garage
Public Works	Big garage
Public Safety	Signal Preventive Maintenance
Public Safety	Generator hookup, backup battery, notify Rt 2 Signal
Public Safety	Generator hookup/ backup battery Coldbrook Signal
Public Works	Tractor (2009) (15yrs)
Public Works	Backhoe (2015) (15yrs)
Public Works	Steamer Trailer (1998) (20yrs)
Public Works	Equipment trailer (2015) (20yrs)
Public Works	CDL Class
Public Works	Tractor rake
Public Works	Bushhog (New Item) (20yrs)
Public Works	Wood Chipper (20yrs)
Public Works	Town Office Parking Pavement

Public Works	PW Facility upgrade - fuel
Public Works	Job Trailer / Office Area
Public Works	PW Facility upgrade - lights
Public Works	Big Garage mandoor awning (ice hazard)
Public Works	Town Office heated pads (ice hazard)
Public Works	Town Office gutters (ice hazard)
Public Works	Local Bridge replacement
Sewer	Generator 95er (1998) (80kw) (25yrs)
Sewer	Generator Rt2 (1996) (25yrs) (station replacment scheduled FY27)
Sewer	Generator Autocar (2015) (20kw) (25yrs)
Sewer	Generator Mack Ln (2015) (30kw) (25yrs)
Sewer	Generator Cedar Brook (2025) (22kw) (25yrs)
Sewer	Generator North St 105 (2025) (22kw) (25yrs)
Sewer	Generator North St 106 (2025) (22kw) (25yrs)
Sewer	Generator Propane Ln (2025) (22kw) (25yrs)
Sewer	Generator Dave's Way (2025) (25kw) (25yrs)
Sewer	Lift station maintenance
Jackson Beach	Facility maintenance (Doc removal & install, bathroom)
Jackson Beach	Driveway Paving (zone 1)
Jackson Beach	Boat Parking paving (zone 2)
Jackson Beach	Bathroom Renovation (2013) (20yrs)
Transfer St	Internet (monthly 80)
Recreation	Cemetery Stone replacement/maintenance (repair only)
Recreation	New Community Rec/Facility
Recreation	Recreation Playground 1
Recreation	Recreation Playground 2
Recreation	Recreation Field

Recreation	Recreation Field
Recreation	Recreation Field
Town Manager	Veterans Park upgrade
Town Manager	Gazebo Replacement/Maintenance
Town Manager	Fire Station Replacement/Renovation (2008)
Town Manager	Hermon School - PADS /Elementary (1952, 2018 renv)
Town Manager	Hermon School - Middle (1953, 2007 renv)
Town Manager	Hermon School - High (1994)
Town Manager	Hermon Track Replace/refurb (2024)
Town Manager	New Town Office (1950, Renv - 1971, 1990, 2009)
Town Manager	Vote Trailer (2023) (15yrs)
Town Manager	IT Servers replacement
Town Manager	Computer Replacements 1
Town Manager	Computer Replacements 2
Town Manager	Ordinance Codification (max 10yr)
Town Manager	Legal
Town Manager	Display informational signs (3 locations)
Fire Department	Vehicle SUV Crew Vehicle (2016)
Town Manager	Land Purchase for facilities - School
Town Manager	Land Purchase for facilities - Town
Recreation	Rec Canopy/Gazebo PADS Power new request (2024)
Recreation	Rec Multiuse field PADS
Recreation	Rec Paint games PADS
Town Manager	Schools - New Superintendent Office Facility (1927, 1955 renv)
Recreation	Point of Sale (POS) system (Third party - MyRec)

CIP Five-Year Plan (FY2027-2037)

The five-year plan is *attached* to identify the recommended requests and potential establishing of reserve funds to aid in cost savings to the town.

Conclusion

The submittal of this document continues with the trend of maintaining financial stability of the community. A comprehensive discussion and planned approach with town departments was utilized to identify current and future capital needs. Although, inclusive for the whole CIP document, the School Department maintains a separate process of CIP development and submission to the Town Council and Citizen Voters. The document capsulates the significant capital improvement needs for the immediate fiscal year and anticipation for the coming years.

A more detailed listing and summary of infrastructure, capital improvement needs, facility and assets will be compiled for future discussion and plannings with town staff. A composition of a detailed may allow for improved use of funding allocations, in accordance with approved policies.