

TOWN OF UNDERHILL

CAPITAL IMPROVEMENT PROGRAM

Fiscal Years

2017 through 2022

Approved by the Selectboard

January 2012

Updated

December 2013

December 2014

November 2015 (tentative)

CAPITAL IMPROVEMENT PROGRAM

The capital assets of the Town of Underhill and their condition are critical to the quality of services provided by the Town. This document details the Capital Improvement Program (CIP) for the Town of Underhill.

Defining the Parts

A municipal capital budget and capital program combine a one year capital budget and a five year capital program.

Capital Budget

The capital budget identifies the capital projects to be undertaken during the following fiscal year, the estimated costs and the proposed method of financing. It should match the capital projects that are included in the annual budget prepared by the Selectboard and presented to the voters for approval on Town Meeting Day.

Capital Program

The capital program is a plan containing capital projects and recommended methods for financing for each of the following five years. It is a working document intended to provide guidance for the town's future decisions on capital projects. Changes to the program may be made based on revenues, overall economic conditions, shifts in public policy, or community objectives and priorities.

Capital Project

The Town of Underhill has adopted a policy for capital expenditures consistent with Generally Accepted Accounting Principles (GAAP) and has incorporated Government Accounting Board Standards (GASB) Statement 34 into the annual audit. Under the policy, infrastructure assets purchased or acquired with an original cost of \$25,000 or more and an estimated useful life of at least 10 years, plus capital assets purchased or acquired with an original cost of \$5,000 or more and an estimated useful life of at least three years are considered capital assets.

Capital Funding Sources

The Selectboard has the option to fund reserves created in accordance with 24 V.S.A. §2804 to accumulate resources to pay for items included in the CIP. The use of such reserves can minimize large fluctuations in the tax rate and reduce the need for incurring additional debt. A reserve fund was established by public vote at the March 6, 2012 town meeting. Funding the reserve is established by the Selectboard and voted by the voters at subsequent town meetings. Other capital improvements may be funded by federal, state, and private grants; donations; bond issue; financing; or as part of the annual property taxes.

Benefits and Goals

A CIP is a multi-year financial plan for the construction or acquisition of capital assets. The capital improvement program links a town's long-term development plan with its annual budgeting process and can prevent budget and tax rate fluctuations by scheduling expensive capital projects over several years. It provides for the planning of future financial resources to finance projects and identifies the financial resources required to operate and maintain capital assets once they have been acquired. The benefits of capital budgeting and planning include:

1. The CIP should create a policy framework for the expenditure of public funds for capital projects.
2. The CIP should provide for the efficient and effective use of public funds.
3. The rate of growth and development should not exceed the ability of local government to provide facilities and services.
4. The development and provision of public facilities and services should be based on reasonable expectations of population increases and economic growth.
5. The CIP should support the implementation of town and regional plans and policies.
6. The CIP should foster the achievement of greater consistency and fairness in making policy decision.

Development and Maintenance of the Capital Budget and Program

The following process should be used for initial program development.

- Step One: Review existing capital and identify additional capital needs based on new services or population growth.
- Step Two: Identify projects through discussions with department heads.
- Step Three: Determine estimated costs for all projects based on input from department heads and supplemental research.
- Step Four: In conformance with 24 V.S.A. § 4430 as amended, the planning commission will draft recommendations to the Selectboard and town finance officer by July 1st of each year.
- Step Five: Adopt the revisions to the budget and program in accordance with the provisions of 24 V.S.A. § 4430 as amended by September 1st of each year.

Format for the Capital Budget and Program

The capital budget and program shall be arranged to indicate the order of priority of each capital project. Each project request shall contain all of the following:

- Department name and/or contact person for the request.
- A description of the proposed project, purpose, department priority, and estimated cost.
- The anticipated replacement cycle.
- Fiscal year or years of the expenditure.
- Proposed methods of financing.
- Estimated effect, if any, on the annual town operating costs.
- Any additional relevant information.

Priority Criteria

Capital project and/or capital assets will receive a higher priority if they meet some or most of the following criteria:

1. The project or asset meets a policy goal or fulfills a strategic objective of the Selectboard.
2. The project or asset is required under a state or federal mandate, law, or regulation.
3. The project or asset will mitigate or eliminate a known safety hazard.
4. The project or asset will maintain and improve the delivery of public services to the population.
5. The project or asset will improve the quality of existing infrastructure.
6. Grant funds are available to assist in funding the project.

DEPARTMENT REQUESTS

The following are the CIP requests by department. Estimates and proposed methods of financing for each request can be found in the accompanying documentation.

Highway

The Highway Department requests are divided into three sections: Vehicles, Major Infrastructure Projects, and Building Upgrades and Equipment. This is for ease of tracking as well as for determining priorities.

Vehicles

The Highway Department maintains an aggressive maintenance and repair schedule for town equipment in order to extend as far as safely possible, the estimated life of each piece of equipment. It is anticipated that dump trucks and pickup trucks will be replaced approximately every ten years, the grader and excavator every fifteen years. These are, however, general estimated useful lives and each piece of equipment is also evaluated based on its annual hourly usage and general condition. Financing for highway equipment can be acquired by either bank loans or leasing contracts.

1997 Excavator	Total Cost \$ 136,000 (with trade in)	FY 2020
2000 Caterpillar Grader	Total Cost \$ 200,000 (with trade in)	FY 2019
2006 International Dump Truck	Total Cost \$ 155,000	FY 2017
2008 International Dump Truck	Total Cost \$ 160,000	FY 2018
2008 Ford Pick Up Truck	Total Cost \$ 50,000	FY 2018
2011 International Dump Truck	Total Cost \$ 180,000	FY 2021

Major Infrastructure Projects

Gravel Roads	Total Cost - Varies	FY 2017 – FY 2022
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The town has approximately 37 miles of Class III gravel roads. The goal is to rotate on an annual basis in order to cover reconstruction of all roads during a reasonable time period. Major storm damage or other circumstances may delay or otherwise modify the schedule, but given no outside influences, the town's goal is to reconstruct 2,000 linear feet of gravel Class III roads annually. It has been estimated that the cost of reconstruction, including drainage, fabric and sub base replacement is approximately \$72.50 per linear foot. The Capital Improvement Program projects varying amounts dedicated to this category in a given year.

Paved Roads

Total Cost - Varies

FY 2017 – FY 2022

The town has approximately 15.3 miles of Class II and Class III paved roads. Within the Capital Improvement Program, estimated rebuild and reconstruction costs have been identified for segments of highways including shoulders, culvert replacement, guardrails, etc. Those sections were prioritized as follows and may be financed with grants, state aid, municipal taxes or reserves.

Pleasant Valley	Total Cost \$ 158,000	FY 2017
Poker Hill	Total Cost \$ 104,000	FY 2018

Culvert Replacements/Retrofits

Bridges, Box culverts and Culverts are used to transmit water during brief heavy runoff periods as well as span year round watercourses. They can have an artificial floor such as concrete, although this floor may be covered by sediment and/or native vegetation. Box culverts can also be designed to have an open bottom to maintain natural substrates. Bridges and Box culverts generally provide more opportunity for aquatic wildlife passage than large pipe culverts. Financing for the culvert replacements is anticipated to be by some combination of state highway grants, municipal taxes, and/or use of reserve funds.

Mountain Road	Total Cost \$ 200,000	FY 2018
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The Mountain Road crossing of Harvey Brook currently has a hand formed concrete culvert. The culvert’s wing walls are pulling away from the structure and the town anticipates replacing with a concrete box culvert. This road serves both the State Park and may require that a temporary road be built.

Corbett Road	Total Cost \$ 215,000	FY 2019
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Existing 4 foot diameter steel pipe in combination with waste blocks serving both as wing walls and extension of the pipe are deficient for the drainage area and have been an ongoing maintenance issue. Beaver ponds both upstream and downstream of the culvert further compromise the site. A temporary roadway and crossing will likely be required.

Underhill Flats Sidewalk	Total Cost \$ 344,000	FY 2016 & 2017
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Engineering and permitting continue and have incurred limited fees to date. Best estimates have construction occurring in the summer of 2017. Based on that schedule, \$175,300 would be expended in FY 2016 and \$171,100 in FY 2017. 90% of those costs are covered under a Federal Highway Administration Grant.

Building Improvements and Equipment

Town Highway Garage (ceiling)	Total Cost \$ 34,000	FY 2017
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Removal of sprayed on insulation.

Town Highway Garage (roof) Total Cost \$ 51,000 FY 2018
Repair of roof.

General

General municipal requests consist of all non-highway requests.

Town Hall

Town Hall Building Improvements Total Cost \$ 10,000 FY 2017
Replacement of shingles on North Annex roof.

Town Hall Building Improvements Total Cost \$ 48,000 FY 2018
Replacement of metal roof with shingles on Main Building.

File Server Total Cost \$ 15,000 FY 2018
Necessary hardware and software updates are anticipated to occur at three – four year intervals.

Old Schoolhouse #5

Old Schoolhouse #5 Improvements Total Cost \$ 40,000 FY 2017
Framing & Structure repairs and supplement floor, wall and roof frame.

Old Schoolhouse #5 Improvements Total Cost \$ 40,000 FY 2018
East Wall – Investigation and assessment, reinforce and repair as necessary resheath clapboards.

Town of Underhill
Capital Budget and Capital Improvement Program
FY 2017 - FY 2022

<u>Actual</u> <u>FY 12-13</u>	<u>Actual</u> <u>FY 13-14</u>	<u>Actual</u> <u>FY 14-15</u>	<u>Budget</u> <u>FY 15-16</u>	<u>Description</u>	<u>FY 16-17</u>	<u>FY 17-18</u>	<u>FY 18-19</u>	<u>FY 19-20</u>	<u>FY 20-21</u>	<u>FY 21-22</u>
				Project Expenditures						
				Highway Department Vehicles						
187,822			121,900	2013 Int'l Dump Truck						
		141,532		2003 Cat Loader						
29,365				2015 Int'l Dump Truck	155,000					
				2006 Int'l Dump Truck		50,000				
				2008 Ford Pickup		160,000				
				2008 Int'l Dump Truck			200,000			
				2000 Cat Grader				136,000		
				1997 Excavator						
				2011 Int'l Dump Truck					180,000	
217,187	-	141,532	121,900	Total Highway Vehicles	155,000	210,000	200,000	136,000	180,000	-
				Major Infrastructure Projects						
				Major Reconstruction						
267,034		129,516	72,500	Gravel Roads	100,000	145,000	145,000	145,000	145,000	145,000
				Paved Roads	158,000	104,000	-	-	-	-
				Major Culvert Replacement/Retrofit						
560	133,650			Page Road						
		1,729	150,000	Deane Road		200,000				
				Mountain Road			225,000			
	14,971	18,282	175,300	Sidewalk Project- Flats (includes Land ROW)	172,000	172,000				
				Sidewalk Project - River Road				100,000		
267,594	148,621	149,526	397,800	Total Major Infrastructure Improvements	430,000	621,000	370,000	245,000	145,000	145,000
				Building Upgrades and Equipment						
	7,484			Heaters						
10,994	13,527	83,583		Heat exchangers/building equipment						
				Radios, Antenna and set up						
				Garage Roof	34,000	51,000				
			5,000	Dike for fuel tanks						
			8,000	Mulcher						
			7,000	Storage Container						
10,994	21,011	83,583	20,000	Total Building Upgrades	34,000	-	-	-	-	-
495,775	169,632	374,641	539,700	TOTAL HIGHWAY REQUESTS	619,000	831,000	570,000	381,000	325,000	145,000

Town of Underhill
Capital Budget and Capital Improvement Program
FY 2017 - FY 2022

<u>Actual</u> <u>FY 12-13</u>	<u>Actual</u> <u>FY 13-14</u>	<u>Actual</u> <u>FY 14-15</u>	<u>Budget</u> <u>FY 15-16</u>	<u>Description</u>	<u>FY 16-17</u>	<u>FY 17-18</u>	<u>FY 18-19</u>	<u>FY 19-20</u>	<u>FY 20-21</u>	<u>FY 21-22</u>
		1,921		Land						
				VT 539 Acquisition						
				Public Buildings/General						
-	-	-	-	School House - Restoration	40,000	40,000				
	41,603	55,061		Town Hall - Exterior Renovations						
				Town Hall - Roof	10,000	48,000				
		12,084		Vault Expansion						
	7,617			Clerk's office renovaton						
				Equipment						
	9,994			Town Hall -A/C Units						
1,503	12,075			File Server		15,000			15,000	
1,503	71,289	69,065	-	TOTAL GENERAL REQUESTS	50,000	103,000	-	-	15,000	-
497,279	240,921	443,706	539,700	TOTAL EXPENDITURES	669,000	934,000	570,000	381,000	340,000	145,000
				Project Revenues						
				Use of Reserves						
	35,000			Use of Surplus (needs vote)						
175,835		160,000	121,900	Debt - Bank Financing	155,000	210,000	200,000	136,000	180,000	-
				Grant - School House	20,000	-				
				Donation from Historical Society	10,000	20,000				
		567		FEMA Grant - Land purchase						
139,965	120,789	10,000	75,000	Grant - Highway		22,500			75,000	
	13,474	17,054	157,770	Grant - Flats Sidewalk Project	154,800	154,800				
				Grant - River Rd Sidewalk Project				90,000		
181,479	71,658	256,085	185,030	Current Year Taxes	329,200	526,700	370,000	155,000	85,000	145,000
497,279	240,921	443,706	539,700	TOTAL REVENUES	669,000	934,000	570,000	381,000	340,000	145,000