



Town of Underhill

Capital Improvement Program

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December 14, 2012**

Capital Improvement Program

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

Overview

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:

- To create a policy framework for the expenditure of public funds for capital projects.
 - To implement efficient and effective use of public funds without exceeding the ability of local government to pay for adequate facilities and services.
 - Managing growth
 - Stabilizing tax rates
 - Implementing town and regional plans and policies
 - Improving management practices
 - Achieving greater consistency and fairness in making policy decisions
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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 lists the capital projects to be undertaken during the ensuing fiscal year, the estimated cost thereof 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 for approval by the voters at Town Meeting Day.

Capital Program

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

Capital Project

The Underhill Selectboard has adopted a policy for capital expenditures consistent with Generally Accepted Accounting Principles GAAP and has incorporated GASB (Governmental Accounting Boards Standards) Statement 34 into the annual audit. Infrastructure assets purchased or acquired with an original cost of \$25,000 and an estimated useful life of at least 10 years, and capital assets

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purchased or acquired with an original cost of \$5,000 or more and an estimated useful life of at least 3 years, are considered capital projects.

Under Vermont statute (24 V.S.A. 4430), a capital budget and program may be adopted, amended or repealed by the Selectboard following one or more public hearings. The capital budget and program must be compatible with a duly adopted municipal plan. The expenditures listed in the capital improvement program are not binding on the Town until adopted by the voters as part of an annual budget.

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 will be established by the Selectboard and voted on by the voters at town meeting. Other capital improvements may be funded by federal, state and private grants; donations; bond issue; financing; or as part of the annual general budget.

Development and Maintenance of Capital Budget and Program

The following process shall 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

The Planning Commission will draft a capital program to be finalized by the Selectboard and Town Finance Office by July 1st of each year.

Step Five

Adopt the plan in accordance with the provisions of 24 V.S.A §4403 (as amended), which requires at least one public hearing which will take place prior to 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(s) of the expenditure.*
- *Proposed method(s) of financing.*
- *Estimated effect, if any, on the annual Town operating costs.*
- *Any additional relevant information.*

Priority Criteria

Capital projects 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 majority of the population.
5. The project or asset will improve the quality of existing infrastructure.
6. *State or federal grant funds are available to assist in funding for 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 Additions. This is for ease of tracking as well as for determining priorities.

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Vehicles & Equipment *Collapse?*****

The Highway Department requires 3 Tandem-axle Dump Trucks and 1 Single-axle Dump Truck on a regular basis. The goal is to have one additional of each for backup.

Vehicle	Justification
1999 International Single-axle Dump Truck	Useful life replacement schedule for this vehicle is 7 years, however based on condition, budget and maintaining the desired number of Single-axle dump trucks, it is scheduled to be replaced in FY15-16.
2000 Caterpillar Grader	Useful life replacement schedule for this piece of equipment is 15 years, plan to replace in FY16-17, which is a just a little over the depreciation useful life.
2006 International Tandem-axle Dump Truck	Useful life replacement schedule for this vehicle is 7 years, instead of replacing in FY13, repairs were done in FY12-13 allowing to push the replacement schedule out to FY16-17.
1997 Caterpillar Excavator 311B	Useful life replacement schedule for this piece of equipment is 20 years and so planned, scheduled for replacement in FY17-18.
2008 Ford F350 Pickup w/V-Plow & Hopper Sander	Useful life replacement schedule is 10 years and so planned, scheduled for replacement FY17-18.
2011 International Tandem-axle Dump Truck	Useful life replacement schedule is 7 years and so planned, scheduled for replacement in FY18-19.
2008 International Single-axle Truck	Useful life replacement schedule is 7 years, however, based on condition, budget and maintaining the desired number of Single-axle dump trucks, the planned schedule for replacement is beyond the CIP timeframe.
2003 Caterpillar Loader	Useful life replacement schedule for this piece of equipment is 15 years, however the plan for replacement is beyond the CIP timeframe.
2013 International Tandem-axle Dump Truck	Useful life replacement schedule for this vehicle is 7 years which is beyond the CIP timeframe.

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Infrastructure Projects

The infrastructure projects are further categorized into Major Reconstruction, Paving, Major Culvert and Alternative Crossings Replacement/Retrofit, and Sidewalk Construction Projects. Road projects are prioritized based on those that suffer the most damage during the spring mud season and which are most in need of repair. These road projects are not considered routine maintenance.

Major Reconstruction	Description
Class III Gravel Roads	Underhill has approximately 37 miles of Class III gravel roads. The town's goal for reconstruction is 2,000 linear feet per year. Based on data from the Gravel Pit Task Force, the cost of reconstruction (including associated drainage, fabric, replacing the subbase) is estimated to be \$65/linear foot, for a total of \$130,000.

Paving	Description
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General	Underhill has approximately 20 miles of paved roads. The goal is to repave about 1 mile per year, including shoulders, at an estimated cost from Pike Industries of \$143,620.
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Major Culvert and Alternative Crossings Replacement/Retrofits

Description

Page Rd.	This dead-end road serving 5 residences and 2 large agricultural businesses has been a serious issue for many years. The current culvert is an old steam pipe that is undersized and too narrow. It is unsafe for the number and size of vehicles as it is only one lane. This culvert will be replaced with a new culvert or alternative crossing. A temporary road may be required.
Deane Rd.	This is also a dead-end road serving 4 residences, containing an old stone culvert which is undersized and deteriorating. Telephone poles have been added to support the culvert. This culvert will be replaced with a new culvert or alternative crossing and the road will be widened.
Mountain Rd.	A hand-formed concrete culvert exists on this road. Its wing walls are pulling away from the structure, which is anticipated to be replaced with a concrete box culvert. As this road serves both the State Park and Maple Leaf Road, a temporary road will be required

Sidewalk Construction

A feasibility study for the upgrade of existing and construction of new sidewalks in the Underhill Flats area was completed in 2007. Strong support was evidenced at a public outreach meeting in conjunction with that study, as well as in the subsequent Town Survey conducted in 2008. Since that time, several inquiries have been received as to the status of plans for construction of sidewalks in addition to requests for sidewalks to be constructed for safety as well as recreational

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purposes.

The 2010 Town Plan policies, goals, and strategies include pursuing opportunities to create public recreation (walking and biking) infrastructure. Likewise, an Active Living Workshop sponsored by AARP and conducted by the Walkable and Livable Communities Institute in 2011 concluded that the Riverside/Underhill Flats Village Center was an area that lacked the proper infrastructure for bicyclists, pedestrians, children, and seniors; however, there was potential and opportunity to create the necessary infrastructure that was enthusiastically supported by workshop attendees. Efforts to promote activities and projects that focus on creating a walkable and livable community as a result of that workshop are ongoing. Jericho has initiated plans to construct sidewalks to the town line in the Riverside/Underhill Flats area.

Priority areas for multimodal infrastructure in Underhill are in the Underhill Flats and Underhill Center areas, as well as a potential future connection between the two. These two areas are prioritized as three schools, a library, several stores and businesses, churches, parks, and more densely-developed neighborhoods are present. Building upon the 2007 feasibility study, the goals of the 2010 Town Plan, support from the Selectboard, and momentum from the 2011 Active Living Workshop, the Planning Commission has initiated planning efforts for the upgrade and construction of sidewalks. The anticipated costs associated with such construction, taken from the 2007 feasibility study, are included in the attached spreadsheet.

Sidewalk construction is included in the Highway Department requests due to funding mechanisms. Grant funds will be sought for all phases of the project, including construction. These funds will require a local match of both cash and in-kind contributions. Therefore, only a portion of the full cost of the project will be borne by the Town.

The update to the 2007 feasibility study is anticipated to be completed by January 2013, which will include revised estimated construction figures. Part of the update will also include a potential phasing schedule with associated anticipated costs per phase. This will assist the Planning Commission and Selectboard in selecting the preferred alternative. Should grant funds be unavailable, the project will be put on hold and reevaluated.

Building Upgrades & Additions

Three potential building upgrades and additions are anticipated at the Town Garage property.

Upgrade/Addition	Description
Garage Structural Improvement	Fix roof condensation and insulation issues to remove safety hazards.
Equipment Shed	Installation of a 3-sided structure for equipment storage to protect equipment from weather and environmental issues.

Public Buildings/General

Requests for upgrades to and at the Town Hall.

Upgrade/Addition	Description
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Server and firewall	Current networking and server capabilities are insufficient and need upgrades/replacement.
Interior Security and Workspace Renovations – Town Hall	Planning with a professional consultant for interior renovations to improve employee work space/ work flow and increase security will be conducted in FY13-14. Anticipated costs for interior renovations, including office upgrades, are allocated for FY14-15.
Historical Preservation & Renovation Project – Town Hall	To include window replacement, painting, lead paint abatement, removing rotted materials, etc.
Vault Expansion	Upgrades to the existing vault are anticipated for FY14-15. All recorded documents on file are required to be located in the vault for security; however, room in the vault is rapidly decreasing.

Recreation Committee

Requests are for general infrastructure upgrades or additions related to the Town parks.

Upgrade/Addition	Description
Composting Toilet	Installation of a composting privy at the Town Pond property is requested to replace the rented portable chemical toilets. Current costs for rental of the portable toilets are \$110/month for approximately 4 months (June – September). The proposed composting privy and related improvements are anticipated to cost between \$5,000 and \$7,500 with additional costs for leaves, straw, hay, wood chips, lime, etc.
Tennis Courts	The tennis courts at the Town Pond were built over 40 years ago in the early 1970s. Significant repairs were made to the cracks in 2009 for a cost of approximately \$10,000. The repairs are guaranteed through the summer of 2013 and may last up to 2 years thereafter. However, the courts will eventually need to be rebuilt. Total replacement costs are estimated between \$80,000 and \$100,000. Fencing around the courts is estimated to cost between \$30,000 and \$40,000.
Shade Structure	A shade structure is requested for the Town Pond property to provide shelter from the sun or inclement weather. No such structure presently exists on the property. Estimates for the structure are between \$15,000 and \$25,000.
Basketball Half-court	Currently, a half-court exists in an unusable form at the Town Pond property. Upgrades required include repaving and the acquisition and installation of a basketball pole and backboard. Total estimated costs are \$15,000.

**HEARING DRAFT
12-14-12**

**Town of Underhill
Proposed Capital Improvement Program**

<u>Description</u>	<u>FY 12-13</u>	<u>FY 13-14</u>	<u>FY 14-15</u>	<u>FY 15-16</u>	<u>FY 16-17</u>	<u>FY 17-18</u>	<u>FY 18-19</u>
Project Expenditures							
Highway Department Vehicles							
2001 Int'l Dump Truck	Replace 7	187,253					
1999 Int'l Dump Truck	Replace 7			160,000			
2000 Cat Grader	Replace 15				245,000		
2006 Int'l Dump Truck	Replace 7	29,365			200,000		
1997 Excavator	Replace 20					200,000	
2008 Ford Pickup	Replace 10					50,000	
2011 Int'l Dump Truck	Replace 7						180,000
2008 Int'l Dump Truck	Replace 7						
2003 Cat Loader	Replace 15						
Total Highway Vehicles		216,618	-	-	160,000	445,000	180,000
Major Infrastructure Projects							
Major Reconstruction		Status/Life					
Class III Gravel Roads			130,000	100,000	100,000	100,000	100,000
Class III Paved Roads		174,956	143,620	100,000	100,000	100,000	100,000
Major Culvert and Alt Crossings Replacement/Retrofit							
Barrett Lane Retrofits		13,333					
Beartown Road Retrofits		11,795					
Irish Settlement Road Retrofits		15,965					
Page Road - Concrete Boxes			70,000				
Dean Road - Concrete Boxes					70,000		
Mountain Road - Concrete Boxes				70,000			
Sidewalks - Flats			360,000				
Total Major Infrastructure Improvements		216,049	703,620	270,000	270,000	200,000	200,000
Building Upgrades and Additions							
Garage Structural Improvement			80,000				
Equipment Shed				50,000			
Total Building Upgrades		-	-	80,000	50,000	-	-
TOTAL HIGHWAY REQUESTS		432,667	703,620	350,000	480,000	645,000	450,000
Recreation Committee Infrastructure							
Composting Toilet			7,500				
Tennis Court Replacement				140,000			
Shade Structure				25,000			
Basketball Half-Court Repair					15,000		
Public Buildings/General							
New Roof		35,000					
Interior Security and Workspace Renovations – Town Hall			5,000	50,000			
Historical Preservation & Renovation Project – Town Hall			50,000				
Server & Firewall			16,505				
Vault Expansion				35,000			
TOTAL GENERAL REQUESTS		-	35,000	79,005	250,000	15,000	-
TOTAL EXPENDITURES		\$ 467,667	\$ 782,625	\$ 600,000	\$ 480,000	\$ 660,000	\$ 450,000
Project Revenues							
Prior-year surplus		50,000					
Grants		181,058	363,000	75,000	75,000	75,000	75,000
Financing		175,835					
Current Year Taxes		60,774	419,625	517,890	405,000	585,000	305,000
Capital Fund		0	0	0	0	0	0
Reserve Funds				7,110			
TOTAL REVENUES		\$ 467,667	\$ 782,625	\$ 600,000	\$ 480,000	\$ 660,000	\$ 450,000

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