

TOWN OF UNDERHILL

CAPITAL IMPROVEMENT PROGRAM

Fiscal Years

2018 through 2023

Approved by the Selectboard

January 2012

Updated

December 2013

December 2014

November 2015

January 2017 (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 \$ 171,000	FY 2019
2000 Caterpillar Grader	Total Cost \$ 350,000	FY 2022
2008 Ford Pick Up Truck	Total Cost \$ 65,000	FY 2023
2011 International Dump Truck	Total Cost \$ 207,500	FY 2021
2013 International Dump Truck (body)	Total Cost \$ 22,500	FY 2018
Lift Truck (to be purchased used)	Total Cost \$ 35,000	FY 2020
2013 International Dump Truck	Total Cost \$ 214,000	FY 2023

Major Infrastructure Projects

Gravel Roads	Total Cost - Varies	FY 2018 – FY 2023
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The town has approximately 37 miles of Class III gravel roads. The goal is to rotate reconstruction 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 1,000 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 \$90.00 per linear foot. The Capital Improvement Program projects varying amounts

dedicated to this category in a given year. The FY2019 Upper English Settlement Road Rebuild is an extensive project that is proposed to utilize material secured in advance (FY 2018) to be placed in FY 2019.

Paved Roads

Total Cost - Varies

FY 2018 – FY 2023

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 and may be financed with grants, state aid, municipal taxes or reserves. The Town’s policy is to spend \$250,000 per year on rebuild and construction projects.

Culvert Replacements/Retrofits

Bridges, Box culverts and Culverts are used to transmit water during brief heavy runoff periods as well as to 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 \$ 225,000

FY 2019

The Mountain Road crossing of Harvey Brook currently has a hand formed concrete culvert. At least one of the culvert’s wing walls is pulling away from the structure and the town anticipates replacing with a concrete box culvert. This road serves both area residents and the State Park and may require that a temporary road be built.

Corbett Road

Total Cost \$ 125,000

FY 2020

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 \$ 385,200

FY 2017 & 2018

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, \$172,000 would be expended in FY 2017 and \$222,000 in FY 2018. Ninety percent (90%) of those costs are covered under a Federal Highway Administration Grant. The Town portion is financed through a combination of municipal taxes, a Matching Grant Reserve Fund and a bequest from former Park Street resident Genevieve Morgan.

Building Improvements and Equipment

Town Highway Garage (ceiling) Total Cost \$ 10,000 FY 2018

Removal of sprayed on insulation.

Town Highway Generator Total Cost up to \$ 20,000 FY 2018

Purchase and installation of Generator.

General

General municipal requests consist of all non-highway requests.

Town Hall

Town Hall Building Improvements Total Cost \$ 60,000 FY 2018

Replacement of Main Building and Annex roofs.

File Server Total Cost \$ 20,000 FY 2021

Necessary hardware and software updates are anticipated to occur at four – five year intervals.

Old Schoolhouse #5

Old Schoolhouse #5 Improvements Total Cost \$ 40,000 FY 2018

Second floor interior renovations and window sashes.

