TOWN OF UNDERHILL
SELECTBOARD PUBLIC HEARING MINUTES
2016-2021 Capital Budget and Program
6:00 p.m., Tuesday, January 6, 2015

Selectboard: Seth Friedman, David Rogers and Cliff Peterson
Town Staff: Brian Bigelow, Nate Sullivan, RaMona Sheppard and Sherri Morin
Public: Bill Young, Bob Murphy and Peter Bennett

6:00 p.m. Hearing called to order.

Hearing Notice read by Chair and CY15-16 Capital Budget reviewed line by line.

Discussion about process and priorities followed the review. No changes were proposed to the CY16-21 Capital Improvement Program.

6:14 p.m. Hearing closed.

Consensus of Selectboard to adopt the Capital Budget and Program as warned. David Rogers moved to close the Public Hearing. Cliff Peterson seconded and the motion passed 3-0.

Submitted by Brian Bigelow, Town Administrator

Read and Approved as submitted/amended.

1.2.15

Seth Friedman, Chair Date

Town of Underhill
Capital Budget and Capital Improvement Program
FY 2016 - FY 2021

Description	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Project Expenditures						
Highway Department Vehicles						
2003 Cat Loader	121,900					
2006 Int'l Dump Truck		200,000				
2008 Ford Pickup			50,000			
2008 Int'l Dump Truck			160,000			
2000 Cat Grader				200,000		
1997 Excavator					136,000	
2011 Int'l Dump Truck						180,000
Total Highway Vehicles	**121,900**	**200,000**	**210,000**	**200,000**	**136,000**	**180,000**
Major Infrastructure Projects						
Major Reconstruction						
Gravel Roads	72,500	145,000	145,000	145,000	145,000	145,000
Paved Roads	-	94,080	104,000	182,125	146,400	57,100
Major Culvert Replacement/Retrofit						
Mountain Road			200000			
Deane Road	150,000					
Corbett Road		215,000				
Sidewalk Project- Flats (includes Land ROW)	175,300	171,100				
Sidewalk Project - River Road					100,000	
Total Major Infrastructure Improvements	**397,800**	**625,180**	**449,000**	**327,125**	**391,400**	**202,100**
Building Upgrades and Equipment						
Dike for fuel tanks	5,000					
Mulcher	8,000					
Storage Containers	7,000					
Total Building Upgrades	**20,000**	-	-	-	-	-
TOTAL HIGHWAY REQUESTS	**539,700**	**825,180**	**659,000**	**527,125**	**527,400**	**382,100**
Recreation Committee Infrastructure						
Tennis Court Replacement		25,000				
Public Buildings/General						
Exterior Renovations (roof)		50,000				
Equipment						
File Server		15,000			15,000	
TOTAL GENERAL REQUESTS	-	**90,000**	-	-	**15,000**	-
TOTAL EXPENDITURES	**$ 539,700**	**$ 915,180**	**$ 659,000**	**$ 527,125**	**$ 542,400**	**$ 382,100**
Project Revenues						
Use of Reserves						
Debt - Bank Financing	121,900	200,000	210,000	200,000	136,000	180,000
Grant - Highway	75,000	75,000	75,000	75,000	75,000	75,000
Grant- Sidewalk Project	157,770	153,990			90,000	
Current Year Taxes	185,030	486,190	374,000	252,125	241,400	127,100
TOTAL REVENUES	**$ 539,700**	**$ 915,180**	**$ 659,000**	**$ 527,125**	**$ 542,400**	**$ 382,100**

TOWN OF UNDERHILL

CAPITAL IMPROVEMENT PROGRAM

Fiscal Years

2016 through 2021

Approved by the Selectboard

January 2012

Updated

December 2013

December 2014

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
2003 Caterpillar Loader	Total Cost $ 121,900 (with trade in)	FY 2016
2006 International Dump Truck	Total Cost $ 200,000	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 2016 – FY 2021

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 2016 – FY 2021

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 Segment 2-2	Total Cost $ 94,080	FY 2017
Poker Hill Segment 1	Total Cost $ 104,000	FY 2018
Pleasant Valley Segment 4	Total Cost $ 182,125	FY 2019
Pleasant Valley Segment 5	Total Cost $ 146,400	FY 2020
Pleasant Valley Segment 6	Total Cost $ 57,100	FY 2021

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.

Deane Road Total Cost $ 150,000 FY 2016

The existing Deane Road culvert was constructed with dry stacked stones over 100 years ago. The structure has served admirably but has always been undersized and an ongoing maintenance issue. The existing stone walls continue to shift reducing the capacity and ultimately will lead to the failure of the structure. A temporary roadway and crossing will likely be required.

Corbett Road Total Cost $ 215,000 FY 2017

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 like the Deane Road Culvert 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.

Mountain Road Total Cost $ 200,000 FY 2018

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.

Underhill Flats Sidewalk Total Cost $ 346,400 FY 2016 & 2017

Engineering and permitting continue. 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

Fuel Tank Dike Total Cost $ 5,000 FY 2016

Environmental safety precaution to contain potential failure of Highway Garage Fuel Storage Tank.

Storage Containers Total Cost $ 7,000 FY 2016

There is a need for additional equipment storage to protect it from the environment.

Mulcher Total Cost $8,000 FY 2016

Existing mulcher has reached the point where it can no longer be efficiently repaired and maintained. A refurbished one will be purchased.

General

General municipal requests consist of all non-highway requests.

Recreation Activities

Tennis Court Replacement Total Cost $ 25,000 FY 2017

The tennis court was built over 40 years ago in the early 1970s and needs significant repairs. It has become dished in the center. As a result, it is holding water and algae is forming making it slippery and dangerous. In addition, there are a number of cracks that require repair.

Town Hall

Town Hall Building Improvements Total Cost $ 50,000 FY 2017

With improvements to the exterior walls and windows of the Town Hall complete; the next item that will need attention is the roof.

File Server Total Cost $ 15,000 FY 2017

Necessary hardware and software updates are anticipated to occur at three year intervals.