

# Utilities and Facilities Planning and Capital Budgeting and Programming

Presented by the Two Rivers-Ottauquechee Regional Commission

with support from the Vermont Agency of Commerce and Community Development and the US  
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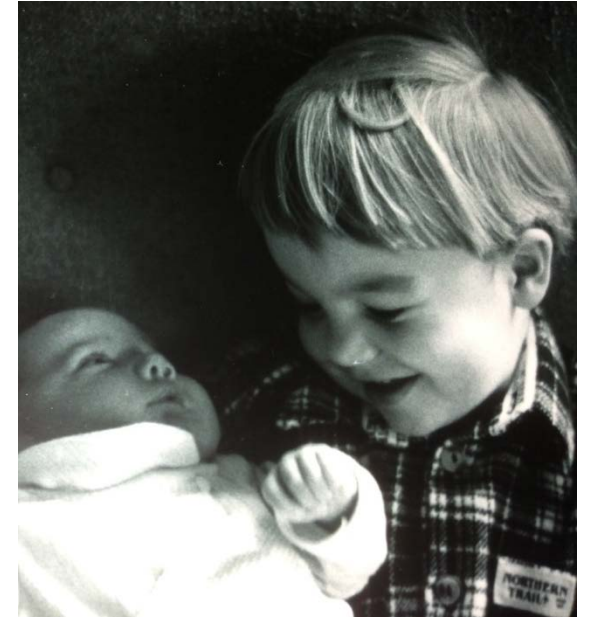


# Why do a Utilities and Facilities Plan and a Capital Budget and Program?

- Planning is good.
- Planning for **major purchases** and for **major repairs** ensures a thoughtful process and the ability to gather cost and other data.
- Important decisions are made with community input and agreement.
- Planning for **services** important to the community helps preserve them.
- Budgeting for purchases allows for the creation of reserve accounts and other methods to keep tax rates roughly stable.

# Crawl before you run, we all start small

- Start simple
- Add a few things each year
- Don't sweat the dinky stuff (<\$5,000)
- Good project for Planning Commission in “off” years
- Delegate parts to relevant departments
- Auditors or Budget Committee can help out
- Can operate on a cash basis from annual appropriations or be sustained through reserve accounts that help to levelize costs



# What are these two things, who does them, and how do they relate?

## **Town Plan** (24 VSA sections 4382-85)

1. must contain a utilities and facilities element (note that Transportation is a separate element, so the roads/sidewalks/trails/services are covered there)
2. is developed in public, adopted after public hearings
3. written by the Planning Commission, reviewed and approved by the Selectboard (or town vote).

## **Capital Budget and Program** (24 VSA sections 4325, 4430, 4443)

1. Builds on the plan
2. The budget is for one year, the program for 5 years
3. Developed by the Planning Commission and adopted by the Selectboard

# The Utilities and Facilities Plan: Let's break it down

**Title 24 § 4382(a)(4). The plan for a municipality shall include the following:**

- (4) A utility and facility plan, consisting of a map and statement of present and prospective community facilities and public utilities showing existing and proposed educational, recreational and other public sites, buildings and facilities, including hospitals, libraries, power generating plants and transmission lines, water supply, sewage disposal, refuse disposal, storm drainage and other similar facilities and activities, and recommendations to meet future needs for community facilities and services, with indications of priority of need, costs and method of financing;

# Where to start?

**Title 24 § 4382(a)(4). The plan for a municipality shall include the following:**

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# The Map

- Show the current *and proposed* utilities, buildings, sites and facilities on a map. This is usually done only within the boundaries of the town, but could also be done more regionally to show the nearest hospital, the regional high school you use, etc.
- educational, recreational and other public sites,
- buildings and facilities (including hospitals, libraries, power generating plants and transmission lines, water supply, sewage disposal, refuse disposal, storm drainage and
- other similar facilities and activities

# What to write?

**Title 24 § 4382(a)(4). The plan for a municipality shall include the following:**

- (4) A utility and facility plan, consisting of a map and **statement of present and prospective community facilities and public utilities** showing existing and proposed educational, recreational and other public **sites**, buildings and facilities, including hospitals, libraries, power generating plants and transmission lines, water supply, sewage disposal, refuse disposal, storm drainage and other similar facilities **and activities**, and recommendations to meet future needs for community facilities and services, with indications of priority of need, costs and method of financing;



# The List

It is not just an inventory of present buildings



Could include vehicles



Utilities



Services



But it is not just a list . . .

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recommendations to meet future  
needs for community facilities and services, with  
indications of priority of need, costs and method  
of financing;

# It's recommendations and priorities

- It is recommendations on the future desires for all of the things on the list, some of which you may not currently have.
- Though not mentioned in the beginning **§ 4382(a)(4)**, “services” are mentioned later in the section as needing to be considered for recommendations, so you might as well put them on the list from the start.
- Though not called for in the statutory language, you should also consider major pieces of equipment. After all, the fire engine may well cost as much as the fire station.
- Needs versus Wants
- Don't just talk about the new, talk about the things to keep.
- In deciding on priorities, the public process of a town plan is a great tool. Outside of the plan, towns still must hold at least one hearing.

**EXAMPLE****Public Works - Town Infrastructure**

Does your town have a garage	YES	Year Built?	1973
E911 Address	250 New Boston Road	Is there a VTRANS garage within town?	NO
	Norwich		

Do you store vehicles at this location	YES		
Is the Garage heated	YES	Bathroom facilities on site?	YES

**Briefly assess the garage site including, safety, vehicle circulation, materials storage, etc.**

Large, multi-bay building. Large entrance and yard area for maneuvering vehicles.

No safety or infrastructure concerns at this time.

Do you have a sand pile on site	YES	Is there a chloride tank on site?	YES
Fuel pumps on site?	Diesel		
Do you store salt on site?	YES	How is it stored?	Covered-Heated

**Is the Town Garage area adequate?**

NO

**If no, briefly discuss what is needed to address this.**

There is a need to better develop the area around the sand pile that residents have access to.

Often during freezing weather, residents are unable to get at sand designated for them and have to resort

to taking from the municipal pile. Should consider constructing a small structure for residents' sand.



Survey sheets can be filled out by different people or agencies and then made into text.

<b>EXAMPLE</b>			
<b>Public Works - Town Infrastructure</b>			
Does your town have a garage		YES	Year Built?
E911 Address		250 New Boston Road	Is there a VTRANS garage within town?
		Norwich	NO
Do you store vehicles at this location		YES	
Is the Garage heated		YES	Bathroom facilities on site?
			YES
Briefly assess the garage site including, safety, vehicle circulation, materials storage, etc.			
Large, multi-bay building. Large entrance and yard area for maneuvering vehicles.			
No safety or infrastructure concerns at this time.			
Do you have a sand pile on site		YES	Is there a chloride tank on site?
Fuel pumps on site?		Diesel	YES
Do you store salt on site?		YES	How is it stored?
			Covered-Heated
Is the Town Garage area adequate?		NO	
If no, briefly discuss what is needed to address this.			
There is a need to better develop the area around the sand pile that residents have access to.			
Often during freezing weather, residents are unable to get at sand designated for them and have to resort to taking from the municipal pile. Should consider constructing a small structure for residents' sand.			

*The Town Garage was built in 1973 and has several heated bays. It has its own sewer and water and has sufficient space to maneuver vehicles. A sand pile, covered salt pile, diesel fuel tank, and chloride tank are on site. The only issue identified with the site is that the sand pile area is unavailable during frigid weather and so a smaller space with perhaps an enclosed pile could be built for residents' use. This could be built as a volunteer project.*

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**indications of priority of need, costs and  
method of financing;**

# Show me the money

- Rough costs are needed
- Timeframes are needed
- Is money necessary? Can you do it with volunteers and donations?
- What kind of money? Taxes? Grants? Bonds?
- This is where the power of capital budgeting and programming comes in

# Capital Budget and Program

## Title 24 § 4430

- (a) A capital budget shall **list and describe the capital projects** to be undertaken during the coming fiscal year, the **estimated cost** of those projects, and the **proposed method of financing**. A capital program is a plan of capital projects proposed to be undertaken during each of the following five years, the estimated cost of those projects, and the proposed method of financing.



# Who does the Capital Budget and Program?

- **§ 4325. Powers and duties of planning commissions**
- Any planning commission created under this chapter may:
- (6) Prepare and present a recommended capital budget and program for a period of five years, as set forth in section 4440 of this title, for action by the legislative body, as set forth under section 4443 of this title;

## **Planning Commission's Role**

- Assist the Selectboard by;
  - Consolidating budgets from all town departments
  - Review and discuss needs of each department, work plans, goals, etc.
  - Deliver to the Selectboard/Town Manager a draft Capital Budget for consideration.

# Who does the Capital Budget and Program?

- **Title 24 § 4443. Adoption, amendment, or repeal of capital budget and program**
  - *(a) Notwithstanding any other provision of this chapter, a capital budget and program may be adopted, amended, or repealed by the legislative body of a municipality following one or more public hearings, upon public notice, if a utility and facilities plan as described in subdivision 4382(a)(4) of this title has been adopted by the legislative body in accordance with sections 4384 and 4385 of this title.*
- Need for a Hearing, could be several, should be several!
- Transparency of budget process and revisions are key.
- Selectboard has the final say.

# Reserve accounts

- **Title 24 § 2804. Reserve funds; use**
- (a) At an annual or special meeting duly warned, a municipality may establish a reserve fund to be under the control and direction of the legislative branch of the municipality. The reserve fund shall be kept in a separate account and invested as are other public funds and may be expended for such purposes for which established, or when authorized by a majority of the voters present and voting at an annual or special meeting duly warned, for other purposes.

Example.

Your town is looking to purchase a new truck in ten years. At today's price the new truck would cost **\$315,000**



2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
\$31,500.00	\$31,500.00	\$31,500.00	\$31,500.00	\$31,500.00	\$31,500.00	\$31,500.00	\$31,500.00	\$31,500.00	\$31,500.00	= <b>\$315,000</b>

Factoring in a 4% inflation rate to the cost, and using that, gives you more money for higher future costs.

+ 4%	+ 4%	+ 4%	+ 4%	+ 4%	+ 4%	+ 4%	+ 4%	+ 4%		
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	= <b>\$466,277</b>
\$327,600	\$340,704	\$354,332	\$368,505	\$383,245	\$398,575	\$414,518	\$431,099	\$448,343	\$466,277	

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
\$46,627	\$46,627	\$46,627	\$46,627	\$46,627	\$46,627	\$46,627	\$46,627	\$46,627	\$46,627

You can then use an equal annual amount as above, which is stable, or use a progressively larger amount which may be easier to fund if the tax base is growing, but is harder to figure out.

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
\$44,100	\$44,604	\$45,128	\$45,673	\$46,240	\$46,830	\$47,443	\$48,081	\$48,744	\$49,434	= <b>\$466,277</b>

# Possible Reserve Funds

- Road equipment or a single vehicle
- Buildings or just the Town Hall
- Recreation Areas
- Trees and Parks
- Emergency Services or just the main fire engine
- Water Systems
- Sewer Systems

# Example of several costs from a single reserve with a level annual input

## Pomfret Capital Improvements Plan for Highway Equipment - 5 yr Replacement

(Assuming all purchases come out of the reserve account)

Replacement year and cost (\$1000) at 5% inflation

	Yr. Prch'd	Prch. Price	Yrs in Svc	Repl. Yr.	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2013 Freightliner 4WD truck	2012	150	5	2017	150					191					232	
1999 International 2WD truck	1999		14	2013		183					201					255
2006 International 2WD truck	2006	101	8	2014			165					211				
2008 Ford 550 4WD truck	2007	54	8	2015				80					102			
2010 John Deere loader	2010	85	11	2021										138		
2002 John Deere grader	2002	121	14	2016					252							
Komatsu Excavator and Trailer	2008	98	12	2020									196			
2005 International 4WD truck	2004	108	Spare													
Total purchases					150	183	165	80	252	191	201	211	298	138	232	255
Reserve Acct. Bal. at beginning of year					160	168	68	88	193	126	120	104	78	-	47	-
Addition to Reserve Acct.					-	-	185	185	185	185	185	185	185	185	185	185
Reserve Acct. Expenditure					-	100	165	80	252	191	201	211	298	138	232	255
Reserve Acct. Balance at end of year					168	68	88	193	126	120	104	78	(35)	47	-	(70)
					2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023

# Questions?

For follow-up please contact Kevin Geiger [kgeiger@trorc.org](mailto:kgeiger@trorc.org) or call 802-457-3188



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