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 Department of Housing and Urban Development
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
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;
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
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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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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.
### Public Works - Town Infrastructure

<table>
<thead>
<tr>
<th>Does your town have a garage</th>
<th>YES</th>
<th>Year Built?</th>
<th>1973</th>
</tr>
</thead>
<tbody>
<tr>
<td>E911 Address</td>
<td>250 New Boston Road</td>
<td></td>
<td>Norwich</td>
</tr>
<tr>
<td>Is their a VTRANS garage within town?</td>
<td>NO</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| 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.

<table>
<thead>
<tr>
<th>Do you have a sand pile on site</th>
<th>YES</th>
<th>Is there a chloride tank on site?</th>
<th>YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel pumps on site?</td>
<td>Diesel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you store salt on site?</td>
<td>YES</td>
<td>How is it stored?</td>
<td>Covered-Heated</td>
</tr>
</tbody>
</table>

| 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.

<table>
<thead>
<tr>
<th>EXAMPLE</th>
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</thead>
<tbody>
<tr>
<td><strong>Public Works - Town Infrastructure</strong></td>
</tr>
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<td><strong>Does your town have a garage?</strong> YES</td>
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</tr>
<tr>
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</tr>
<tr>
<td><strong>Do you store salt on site?</strong></td>
</tr>
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</tr>
</tbody>
</table>

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

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Show me the money

- Rough costs are needed
- Timeframes are needed
- Is money necessary? Can you do it with volunteers and donations?
- 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.

Simply dividing the cost over ten years would equal:

\[
\begin{array}{cccccccccccc}
$31,500.00 & $31,500.00 & $31,500.00 & $31,500.00 & $31,500.00 & $31,500.00 & $31,500.00 & $31,500.00 & $31,500.00 & $31,500.00 \\
\end{array}
\]

\[=\$315,000\]

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

\[
\begin{array}{cccccccccccc}
$327,600 & $340,704 & $354,332 & $368,505 & $383,245 & $398,575 & $414,518 & $431,099 & $448,343 & $466,277 \\
\end{array}
\]

\[=\$466,277\]

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.

\[
\begin{array}{cccccccccccc}
$44,100 & $44,604 & $45,128 & $45,673 & $46,240 & $46,830 & $47,443 & $48,081 & $48,744 & $49,434 \\
\end{array}
\]

\[=\$466,277\]
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)

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>2013 Freightliner 4WD truck</td>
<td>2012</td>
<td>150</td>
<td>5</td>
<td>2017</td>
<td>150</td>
<td>191</td>
<td>232</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1999 International 2WD truck</td>
<td>1999</td>
<td>14</td>
<td>2013</td>
<td>183</td>
<td>201</td>
<td>255</td>
<td></td>
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<tr>
<td>2006 International 2WD truck</td>
<td>2006</td>
<td>101</td>
<td>8</td>
<td>2014</td>
<td>165</td>
<td>211</td>
<td></td>
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<tr>
<td>2008 Ford 550 4WD truck</td>
<td>2007</td>
<td>54</td>
<td>8</td>
<td>2015</td>
<td>80</td>
<td>102</td>
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<tr>
<td>2010 John Deere loader</td>
<td>2010</td>
<td>85</td>
<td>11</td>
<td>2021</td>
<td></td>
<td></td>
<td>138</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2002 John Deere grader Komatsu Excavator and Trailer</td>
<td>2002</td>
<td>121</td>
<td>14</td>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td>252</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>2005 International 4WD truck</td>
<td>2004</td>
<td>108</td>
<td></td>
<td>2020</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

#### 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) |

Questions?

For follow-up please contact Kevin Geiger kgeiger@trorc.org or call 802-457-3188

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