



CAPITAL BUDGETS AND PROGRAMS

PRESENTED BY 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

- Planning is helpful
- Budgeting allows for the creation of reserve funds and other methods to keep taxes roughly stable
- Planning for major purchases and repairs ensures thoughtfulness and preparedness
- Input into the decision
- Planning for services helps preserve them for the community

CAPITAL BUDGET & PROGRAM

Capital Budget

Title 24 § 4430

- Shall list and describe
 - The capital projects to be undertaken during the coming fiscal year
 - The estimated cost of those projects
 - The proposed method of financing

Capital Program

- Plan of capital projects proposed to be undertaken during each of the following five years (or more)
- The estimated cost of those projects
- The proposed method of financing

CAPITAL BUDGET & PROGRAM

BOTH

Title 24 § 4430

- Shall be arranged to
 - a. Indicate the order of priority of each capital project
 - b. To state for each project all the following:
 - i. A description of the proposed project and the estimated total cost of the project.
 - ii. The proposed method of financing, indicating the amount proposed to be financed by direct budgetary appropriation or duly established reserve funds; the amount, if any, estimated to be received from the federal or state governments; the amount, if any, to be financed by impact fees; and the amount to be financed by the issuance of obligations, showing the proposed type or types of obligations, together with the period of probable usefulness for which they are proposed to be issued.
 - iii. An estimate of the effect, if any, upon operating costs of the municipality.
 - c. Planning Commission MAY submit recommendations annually about the CB&P

CB&P AND TP

Capital Budget & Program

- Builds on the plan
- The budget is for one year
- The program is for five years
- Developed by the Planning Commission and adopted by the Selectboard

Town Plan

- Must contain a Utilities and Facilities element (transportation is separate, so roads, sidewalks, etc. are covered there)
- Developed by the public, adopted after public hearings
- Written by the Planning Commission, adopted by the Selectboard

CAPITAL PROJECTS

What qualifies?

Title 24 § 4430

A capital project is any one or more of the following:

1. Any physical betterment or improvement, including furnishings, machinery, apparatus, or equipment for that physical betterment or improvement when first constructed or acquired.
2. Any preliminary studies and surveys relating to any physical betterment or improvement.
3. Land or rights in land.
4. Any combination of subdivisions (1), (2), and (3) of this subsection.

HOW

1

START SIMPLE

Add a few things each year
Don't sweat the small stuff (<\$5,000)
Start on a slow year

2

DELEGATE!

Involve the relevant departments
Auditors and budget committees can help

3

FUND

Cash-basis from annual appropriations
Reserve accounts (helps levelize costs)

DELEGATE

Example Survey Sheet

Public Works - Town Infrastructure			
Does your town have a garage?	YES	Year Built?	1973
E911 Address	123 Street Road	Is there a VTRANS garage within the town?	NO
	Town		
Do you store vehicles at this location?	YES		
Is the garage heated?	YES	Are there 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 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.			

TITLE 24 § 4382(A)(4)

**THE PLAN FOR A MUNICIPALITY SHALL
INCLUDE THE FOLLOWING**

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**.

UTILITIES AND FACILITIES

**THE PLAN FOR A MUNICIPALITY
SHALL INCLUDE THE FOLLOWING**

- Map
- Statement of present and prospective community facilities and public utilities, including other public sites and activities
- Recommendations to meet future needs
- Indicate priority, cost, and method of financing

MAP- WHAT TO INCLUDE

Current and Proposed

UTILITIES

- *Transmission lines*
- *Water wells*
- *Wastewater*

BUILDINGS

- *School buildings*
- *Town Offices*
- *Libraries*
- *Places of worship*

SITES

- *Educational sites*
- *Recreational sites*
- *Cemeteries*
- *Other public sites*

FACILITIES

- *Power plant*
- *Hospital/clinic*
- *Water/
wastewater
facility*

NOTE: usually done only within the boundaries of the town, but could also include regional resources to show the nearest hospital, the regional high school you use, etc.



IDENTIFIED PREVIOUSLY:

- Statement of present and prospective community facilities and public utilities, including other public sites and activities
- Recommendations to meet future needs
- Indicate priority, cost, and method of financing

UTILITIES AND FACILITIES

WHAT TO WRITE?

Make a list of present AND prospective

- Buildings/sites/facilities
- Utilities
- Vehicles/Equipment (not necessary)
- Services
- Not only things you have, things you need

AND

- Recommendations to meet future need
- Indication of priority





I THOUGHT THIS WAS A TALK ON CAPITAL BUDGETS AND PROGRAMS?

HOW DO THE TOWN PLAN
AND CB&P FIT TOGETHER?

CONNECTED

Example Survey Sheet

Public Works - Town Infrastructure				
Does your town have a garage?	YES	Year Built?	1973	
E911 Address	123 Street Road Town		Is there a VTRANS garage within the town?	NO
Do you store vehicles at this location?	YES			
Is the garage heated?	YES	Are there 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 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 an enclosed pile could be built for residents' use**. This could be built as a volunteer project.

Survey sheets can be filled out by different people and made into text for the Capital Budget and Program or Town Plan!

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UTILITIES AND FACILITIES

**THE PLAN FOR A MUNICIPALITY
SHALL INCLUDE THE FOLLOWING**

- Indicate priority
- Cost
- Method of financing

SHOW ME THE MONEY

COSTS

- *Rough, does not have to be exact!*

\$\$ NECESSARY?

- *Volunteers?*
- *Donations?*

WHAT KIND OF \$\$?

- *Grants*
- *Taxes*
- *Bonds*
- *Reserves*

TIMEFRAME

- *By when/ what year?*

WHO DOES THIS?



Finance Mogul



*CFO of Fortune 500
company*



*Forbes Top 30
under 40*

WE DO

TITLE 24 §§ 4325 & 4443

PLANNING COMMISSION ROLE § 4325

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;

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.

SELECTBOARD ROLE § 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.

Several public hearings- transparency!
Selectboard has the final say



RESERVE FUNDS

Title 24 § 2804a

- (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
- How a town adopts a Reserve Fund will depend on how it votes- on the floor vs Australian ballot.

Vermont League of Cities and Towns has a short [Model Reserve Fund Policy with Guidance](#) document which has specific sample language!

EXAMPLE

Your town is looking to purchase a new fire truck in 10 years.
At today's price, the new truck would cost \$315,000.

Simply dividing the cost over 10 years would equal:

2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
\$31,500	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500	\$315,000

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

2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
\$315,000	\$327,600	\$340,704	\$354,332	\$368,505	\$383,246	\$398,575	\$414,519	\$431,099	\$448,343	\$448,343
	+4%	+4%	+4%	+4%	+4%	+4%	+4%	+4%	+4%	

You can then use an equal amount (1), which is stable, or use a progressively larger amount (2), which may be easier to fund if the tax base is growing, but which is harder to figure out.

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
(1)	\$44,834	\$44,834	\$44,834	\$44,834	\$44,834	\$44,834	\$44,834	\$44,834	\$44,834	\$44,834	\$448,343
(2)	\$40,000	\$41,004	\$42,033	\$43,088	\$44,170	\$45,279	\$46,415	\$47,580	\$48,775	\$49,999	\$448,343
		+2.51%	+2.51%	+2.51%	+2.51%	+2.51%	+2.51%	+2.51%	+2.51%	+2.51%	

POSSIBLE RESERVE FUNDS



- ROAD EQUIPMENT
- EMERGENCY SERVICES/FIRE ENGINE

- BUILDINGS OR TOWN HALL
- REC. AREAS
- TREES AND PARKS

- VEHICLES
- WATER AND WASTEWATER SYSTEMS

EXAMPLE RESERVE

Example costs from a single reserve with a level annual input

TOWN Capital Improvements Plan for Highway Equipment - 5 yr Replacement

(Assuming all purchases come out of the same 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												
2005 International 4WD truck	2004	108	Spare										196			
Total Purchases					150	183	165	80	252	191	201	211	298	138	232	255
Reserve Acct. Bal. at beginning of year					160	10	95	115	220	153	147	131	105	-8	39	-8
Addition to Reserve Acct.					-	185	185	185	185	185	185	185	185	185	185	185
Reserve Acct. Expenditure					150	100	165	80	252	191	201	211	298	138	232	255
Reserve Acct. Balance at end of year					10	95	115	220	153	147	131	105	-8	39	-8	-78
					2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023

QUESTIONS OR FOLLOW-UP?



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<https://www.trorc.org/>



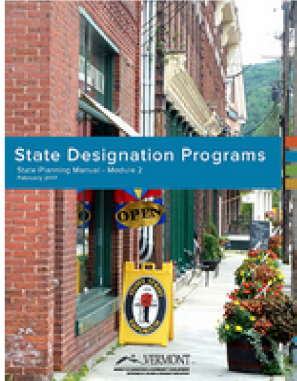
Recorded training video and slides will be available at [trorc.org/planning-tools](https://www.trorc.org/planning-tools) under "*Capital Budgeting and Planning Training Program*" within 3 days of completion.

The logo for TRORC, featuring the letters 'TR' in green and 'ORC' in blue, with a stylized blue wave graphic integrated into the 'O'.

TRORC



- [Data Sources for Municipal Plans](#)
- [Municipal Plan and Bylaw Database](#)
- [Planning Atlas](#)
- [Plan and Bylaw Status Table](#)



Module 2: State Designation Programs

A concise guide on the five VT designation programs and their benefits — along with case studies that show how communities have used the designations to achieve their goals.

- [State Designation Programs Annual Report](#)
- [Overview of State Designation Programs](#)
- [Overview of State Designation Program Benefits](#)
- [Overview of State Designation Program Benefits and Statutory Authority \(xls\)](#)
- [Does your town have a designation?](#)

Capital Budgeting and Planning Training Program

- [Capital Budgeting Presentation-Revised](#)
- [Capital Budget Town Template](#)
- [Tunbridge Trans Cap Improv Plan FY2018-2022 160208](#)
- [Final CBP Report to Rochester](#)

Ecological and Natural Resources Training Program

TRORC developed an Ecological and Natural Resources Training Program with 2009 funding from the Wellborn Ecology Fund. Managed by the New Hampshire Charitable Foundation, the Wellborn Ecology Fund is dedicated to promoting awareness of environmental and ecological issues in the Upper Valley.

TRORC developed this program to help us educate volunteer board members and commissioners on natural systems so they may be better integrated in municipal planning and bylaw administration. Our program provides practical training on basic ecology and natural resources inventories, and helps town officers introduce conservation principles into municipal plans and bylaw implementation. Notes are included to aid in delivery of these presentations by other users and they are available in two Power Point formats to allow them to be customized. By training town officials in the Two Rivers region to go beyond basic planning and proper administration of their bylaws, through local identification of natural resources and conservation planning, we hope to enable them to become citizen stewards.

- [Wellborn Resource List](#)
- [Bylaws and Ecosystem Protection \(Powerpoint\)](#)
- [Planning – Town and Open Space \(Powerpoint\)](#)

Other Resources

- [VLCT Resource Library](#) – The VLCT Resource Library is a great source for model bylaws and plans.
- [Zoning Sign Permit Approval Poster](#) – The Vermont Land Use Collaborative has created a Permit Approval poster for zoning administrators to give to landowners when they are issued a permit. The poster is available for download below. It will work best when printed on “11X17” paper.
- [Act 250 Guide](#) – An informational guide to Act 250 and Vermont's Land Use Laws.



Materials can be found
at [trorc.org/planning-
tools](http://trorc.org/planning-tools) within 3 days of
this presentation.

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December 7th
12:00 pm

How Local Businesses Can Be Wise About
Climate

December 14th
6:30 pm

TRORC Board of Directors Meeting



NEWS

November 29th
7:00 pm

Capital Budget Training

December 7th
12:00 pm

How Local Businesses Can Be Wise About
Climate

December 14th
6:30 pm

TRORC Board of Directors Meeting