Community and Economic Development Committee Report

November 30, 2022

Committee members present: Alderman Talbott (chair), Alderman Franco* (vice-chair), Alderwoman Davis, Alderman Whitcomb

Others present: President Doenges, Alderman Gillam, Alderman Barbagallo, Mayor Allaire, Zoning Administrator Strniste, Treasure Markowski, Barbara Spaulding (Rutland Redevelopment Authority), Heather Starzynski and Melanie Paskevich (NeighborWorks of Western Vermont)

*via phone

The meeting was called to order at 5:34pm.

The purpose of the meeting was to review the proposal for the city's market-rate rental revitalization revolving loan pilot program drafted in collaboration with NeighborWorks of Western Vermont. Alderman Talbott began by explaining that in March 2022, the Board of Aldermen committed $400,000 from the fund formerly known as ARPA for the purpose of creating a rental repair assistance program for use by landlords to renovate vacant multi-family housing units into market-rate housing.

Heather proceeded to go through the draft proposal, which recommends that the fund grant an initial 10 loans of up to $30,000 at a 1.5% interest rate, with an additional 3 loans made every 3-4 years as the fund replenishes. She emphasized that property owners who receive these funds will be expected to use above builder-grade materials and bring rental units online to 'like new' standards.

Alderwoman Davis asked how the program would ensure that a property owner receiving a $30,000 loan would make a $30,000 investment in the rental unit. Heather explained that there will be site visits, a review of scope of work, submission of receipts and invoices, and milestones the loan recipient has to achieve.

Heather continued, explaining that focus will be on 2-4 unit properties and that units must be vacant or turning over. The program will strive to ensure that tenants will not be displaced. All applicants will initially be reviewed to ensure they are in good standing with the city. BIPOC applicants, women applicants, and owner-occupied applicants will be prioritized. There will be a maximum loan of $90,000 per borrower (2 units and shell). The loan terms will be 10 years. The underwriting criteria are based on existing criteria from other NeighborWorks programs.

Loan applications will initially be submitted to NeighborWorks for evaluation. Recommended projects will then be sent to the Rutland Redevelopment Authority board for selection, and then on to the Board of Aldermen for final approval.

The committee members and others present voiced strong support for the program proposal. NeighborWorks will make final revisions to the proposal and complete the supporting documents and return to this committee for final review and approval. The goal is to launch the program in early 2023.

No motion was needed at this time.

The meeting adjourned at 6:41pm.

TOWN OF UNDERHILL

FY2018-2019
CAPITAL IMPROVEMENT PROGRAM

The quality of services provided by the Town of Underhill is central to many of the Town's expenditures, and therefore, the conditions of capital assets are critical. This document details the Capital Improvement Program for the Town of Underhill

A Capital Improvement Program (also known as "CIP" or "the Program") is a multi-year financial plan for the construction or acquisition of capital assets. The CIP links the Town's long-term development plan with its annual budgeting process, and can assist in preventing budget and tax rate fluctuations by scheduling expensive capital projects over several years – typically five (5) years. The Program also provides for the future planning of financial resources to help finance projects, as well as helps with identifying the financial resources required to operate and maintain capital assets once acquired. Some of the many benefits of capital budgeting and planning include:

- Managing growth;
- Stabilizing tax rates;
- Implementing town and regional plans and polices;
- Improving management practices; and
- Achieving greater consistency and fairness in making policy decisions.

VERMONT STATE STATUTE (24 V.S.A. § 4430 – CAPITAL BUDGET AND PROGRAM)

The Vermont Statutes Annotated provides a municipality the opportunity to implement a capital budget and program. Should a municipality choose to implement a capital budget and program, the following requirements have be outlined under 24 V.S.A. §§ 4430, 4443:

24 V.S.A. § 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. A copy of the proposed capital budget and program shall be filed at least 15 days prior to the final public hearing with the clerk of the municipality and the secretary of the planning commission. The planning commission may submit a report on the proposal to the legislative body prior to the public hearing.

(b) The capital budget and program, or its amendment or repeal, shall be adopted or rejected by an act of the legislative body of a municipality promptly after the final public hearing held under subsection (a) of this section.

24 V.S.A. §4430. Capital budget and program:

(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 years, and estimated cost of those projects, and the proposed method of financing. A capital project is any one of 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.

(b) The capital budget and program shall be arranged to indicate the order of priority of each capital project and to state for each project all of the following:
(1) A description of the proposed project and the estimated total cost of the project.
(2) The proposed method of financing, indicating the amount proposed to be financed by direct budgetary appropriation or duly established reverse funds; 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.
(3) An estimate of the effect, if any, upon operating costs of the municipal.

(c) The planning commission may submit recommendations annually to the legislative body for the capital budget and program, the shall be in conformance with the municipal plan.

TOWN PLAN

Section 5.2 of the current 2015 Town Plan advises that the Capital Improvement Program should be continually developed and adhered to, as the program assists the Town in where to locate and how to pay for major capital investments such as new parks, roads, or public buildings. As stated in the Town Plan, the Program defines a capital improvement (also known as capital project) as either of the following:

- Any infrastructure asset purchased or acquired with an original cost of $25,000 or more and an estimated useful life of at least 10 years, or
- capital assets purchased or acquired with an original cost of $5,000 or more and an estimated useful life of at least three years.

As alluded to above, of the many purposes for adopting and implementing the Capital Improvement Program, the Plan identifies the following:

- To stabilize the tax rate;
- To improve municipal management practices
- To enable orderly growth and development consistent with the Town's fiscal ability,
- To provide facilities and services in accordance with the Town Plan;
- To inform and educate Town officials, staff, and the public about the Town's overall capital needs and realistic fiscal goals.

The following excerpt from Section 5.2 of the Town Plan provides the goal, policy, and strategies as they relate to the Capital Improvement Program

Goal: Plan for, finance, provide and maintain infrastructure that is adequate to meet the needs of Underhill town residents and government.

Policy: Since Underhill's infrastructure has grown over the years and will continue to evolve, a Capital Improvement Plan should be continually developed and annually adopted by the Selectboard.

Strategies:

1. Consider the land use goals of the Town Plan when establishing the Capital Improvement Program. In particular, when establishing evaluation criteria and prioritization methods give high priority to projects within or in service of the Village Centers to help enable future development.

2. Formulate capital improvement policies, procedures, and evaluation criteria for the Capital Improvement Program.

3. In accord with CIP policy and the Government Accounting Standards Board 34 (GASB 34): Continue to annually update the capital assets inventory and assess the condition of all town properties, including but not limited to roads, buildings, land and recreational facilities.

4. Assure that the Selectboard establishes a capital budget for the each fiscal year.

5. Review the CIP annually and ensure that capital projects conform to the Town Plan. If amendments are needed, the Planning Commission should make recommendations to the Selectboard.

THE COMPONENTS

A municipal capital budget program combines a one-year capital budget and a five-year capital program.

CAPITAL BUDGET

The capital budget lists the capital projects that will be undertaken during the ensuing fiscal year, the estimated cost of those projects, and the proposed method of financing. The capital budget should include those capital projects in the annual budget prepared by the Selectboard and presented for approval by the voters at Town Meeting Day.

CAPITAL PROGRAM

The capital program is a plan containing capital projects, as well as recommended methods of financing for those projects, in the subsequent five (5) fiscal years. The Program is a working document intended to provide guidance pertaining to the Town's future decisions on capital projects. The program is expected to be updated on a frequent basis as changes to revenues, overall economic conditions, shifts in public policy, and community objectives and priorities occur. As a result, this program is subject to potential changes due to unexpected discoveries of capital projects in any given year. As a result, the capital planning process can be significantly impacted thus potentially resulting in a different plan from one year to the next. Ideally, however, this plan strives to eliminate those unexpected discoveries of capital projects. In addition, funding could also impact the program, as anticipated funds may or may not be awarded, loans not being sought, or bonds not being approved by the voters. In other words, this program best strategizes potential capital purchases with the known information at the time of assembly, but is subject to change as more information is obtained in the future.

Capital Project

A capital project is any major, non-recurring or infrequent-recurring expenditure. Examples of these types of expenditures include, but are not limited to: land or road equipment purchases, building construction or improvements, and bridge replacements. Capital projects are distinctly different from ongoing operating expenses such as salaries, utilities, road maintenance, etc.

The Underhill Selectboard has adopted a policy for capital expenditures. To qualify as a capital project, the project must have an anticipated cost of at least $5,000 and an expected lifespan of at least three (3) years (as supported in the Town Plan). Under Vermont statute (24. V.S.A § 4430), a capital budget and program may be adopted, amended or repealed by the Selectboard following one or more public hearings. The capital budget and program must be compatible with a duly adopted municipal plan. The expenditures listed in the capital improvement program are not binding on the Town until adopted by the voters as part of an annual budget.

Capital Funding Sources

In conjunction with the Town's debt management policy, 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. Other capital improvements may be funded by bond issue, use of debt, obtainment of grants, or through the operating budget.

As stated above, the Selectboard also has the option of obtaining grants and/or bonds to fund capital projects. If a bond or grant is issued to the Town, the sources of funding are typically for specific projects or specific types of projects. In some cases, the Town will apply for both a grant and a bond. If both a grant and a bond are approved for the same project, the grant would be allocated towards the specific project. As alluded to above, while money obtained from a bond will typically have strict parameters, there is some flexibility with the bond that allows the money to be allocated towards a specific types of projects. Therefore, should the Town be awarded both a grant and bond for a specific project, the grant will be applied to that specific project, while the money associated with the bond can be shifted to a similar type of project.

For example, should the Town be awarded a grant and a bond to rebuild a certain gravel road, the grant money will be applied to the intended gravel road, and the bond money will be shifted and applied to a second gravel road also in need of a rebuild. In regards to bonds, projects must be completed within two years that the bond is issued. In regards to grants, the time period to complete the project varies depending on the grant.

For clarification purposes, applying for a grant does not necessarily guarantee the awarding of the grant to the Town. Also, to note, structures grants, which is a common type of grant that the Town seeks to obtain, is a State of Vermont type grant that has been historically awarded to a municipality once every three years. Therefore, a municipality cannot rely on this type of grant year-in and year-out, though the frequency at which theses grants are awarded to a specific municipal is always subject to change.

The last type of funding, which is similar to bonds, is the acquirement of a loan. Similar to standard loans, money is lent to the Town from a bank to acquire a capital asset. There is a duration of time that the Town repays the bank, with interest. A loan is most commonly associated with the unforeseen purchase of capital assets, as well as for less expensive equipment.

DEVELOPMENT AND MAINTENANCE OF THE CAPITAL BUDGET AND PROGRAM

The following process shall be used for initial program development:

Step 1. Review existing capital and identify additional capital needs based on new services or population growth.

Step 2. Identify projects through discussions with department heads and chairs of the various boards, commissions and committees.

Step 3. Determine estimated costs for all projects based on input from those providing input and supplemental research.

Step 4. In conformance with 24 V.S.A. § 4430 (as amended), solicit recommendations, if any, from the Planning Commission and submit them to the Selectboard and Town Finance Office by July 1st of each year.

Step 5. 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.

CAPITAL BUDGET AND PROGRAM FORMAT

The capital budget and program is arranged to indicate the order of priority of each type of capital project. Acquiring multiple pieces of equipment or constructing multiple infrastructure projects is unlikely to occur in a given fiscal year unless multiple sources of funding, as discussed above, is obtained. Therefore, one type of project is often scheduled within a fiscal year (i.e. the purchase of one piece of highway equipment, the construction/renovation of a bridge/culvert, the rebuilding of a paved road, and/or the rebuilding of a gravel road). Though infrequent, other capital projects will be budgeted for an upcoming fiscal year (e.g. the Old Schoolhouse #5 renovation). Therefore, higher priority projects are often scheduled to be completed/purchased in the immediate future. In other words, projects scheduled for completion for the upcoming fiscal year are deemed to be of high priority than those five years from now. Below, each project requested/observed contains the following information:

- The department name and/or contact person for the request;
- Anticipated fiscal year(s) of the expenditure;
- Estimated costs;
- Proposed method(s) of financing, if any;
- A description of the proposed project, relevant background information, and the project proposal; and
- Any additional relevant information.

CONSIDERATION CRITERIA

As provided in the policy adopted by the Selectboard (see Appendix D), the following consideration criteria will be used by the Selectboard in determining the priority of capital projects and/or capital assets:

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; and
6. State or federal grant funds are available to assist in funding for project.

YEAR IN REVIEW – FISCAL YEAR 2017-2018

In the Fiscal Year 2018-2019, the following capital projects were budgeted and completed accordingly:

Capital Project:	Budgeted Amount	Actual Expenditure
Pavement Rebuild: Pleasant Valley #374-443	Grant: $165,000 Highway Budget: $40,000	$205,000
2013 International Dump Truck – Body Replacement	$30,000	$30,000
Town Hall Roof Replacement	$62,000	$42,000

CAPITAL BUDGET – FISCAL YEAR 2018-2019

In the Fiscal Year 2018-2019, the following capital projects are budgeted:

Project	Estimated Cost	Funding Sources	Project Description
Bridges/Culverts			
Pleasant Valley Road – Bridge # 8	$125,000 (TBD Spring Bids)	Tax Revenue: $125,000	Expect additional work will increase cost above amount budgeted
Irish Settlement Road	$40,000	Grant Amount: $32,000 Tax Revenue: $8,000	Completed Dec 2018, but only 90% paid due to inlet issue. To be resolved in 2019
Corbett Road Bridge Design	$15,000	Tax Revenue: $15,000	Design work pertaining to bridge/culvert replacement.
Equipment			

2011 Tandem – Body Replacement	$32,000	Highway Reserves: $30,000 Tax Revenue: $2,000	Completed and paid in full Fall 2018

*At time of that this document was drafted, the Recreation Committee obtained approval from the Selectboard to purchase and construct an ice-skating rink at Moore Park ($7,000) during the 2018-2019 winter months. This project will be included in the "Year in Review – Fiscal Year 2018-2019" section of next year's Capital Improvement Plan.

CAPITAL IMPROVEMENT PROGRAM
FISCAL YEAR 2020 THRU FISCAL YEAR 2024

Potential capital projects were solicited from the various departments, boards, commissions and committees. Most future projects anticipated among the various government bodies do not meet the criteria of being considered a capital project. Similar to previous years, highway infrastructure and equipment account for the large majority of the Program. Estimates for Highway Infrastructure and Equipment Committee capital projects were researched and obtained, which can be found below. In addition, proposed methods of financing for each request can also be found below.

Going forward, Staff and the varying departments will work towards obtaining the anticipated replacement cycle.

CONSERVATION COMMISSION

No capital projects requested.

DEVELOPMENT REVIEW BOARD

No capital projects requested.

ENERGY COMMITTEE

No capital projects requested.

HISTORICAL SOCIETY

No capital projects requested.

PLANNING COMMISSION

No capital projects requested.

RECREATION COMMITTEE

The recreation committee has provided input pertaining to one potential capital project pertaining to the construction of a pavilion with power. At this point in time, only preliminary information has been obtained; however, more information is anticipated for next year's Capital Improvement Program. If this project is to be pursued, it would likely be pursued sometime over the next five years, which is why it is listed below.

1.
(FY)

FISCAL YEAR:
ESTIMATED COST:
ANTICIPATED FUNDING SOURCES:
⇒
PROJECT DESCRIPTION:

PROJECT BACKGROUND:

PROJECT PROPOSAL:

TOWN OFFICE DEPARTMENTS

1.
(FY)

FISCAL YEAR:
ESTIMATED COST:
ANTICIPATED FUNDING SOURCES:
⇒
PROJECT DESCRIPTION:

PROJECT BACKGROUND:

PROJECT PROPOSAL:

This capital project (file server) has been identified as a project for several years now, but never pursued. Currently, the update to the file server is anticipated to occur during Fiscal Year 2021-2022. More information will be sought, obtained, and provided in next year's Capital Improvement Plan.

---------------------------------BRIDGES---------------------------------

The identified bridge projects below are not anticipated to have an effect on the operating costs of the municipality.

1. PLEASANT VALLEY ROAD – BRIDGE #7 (FY23)

FISCAL YEAR: 2022-2023
ESTIMATED COST: $715,000
ANTICIPATED FUNDING SOURCES:

⇒ $90,000 from Town General Budget
⇒ $625,000 from Anticipated Grant

PROJECT DESCRIPTION:
Replace

PROJECT BACKGROUND:
Replace

PROJECT PROPOSAL:
Replace

---------------------------------PAVING---------------------------------

The identified paving projects below are not anticipated to have an effect on the operating costs of the municipality.

1. (FY)

FISCAL YEAR:
ESTIMATED COST:
ANTICIPATED FUNDING SOURCES:

⇒

PROJECT DESCRIPTION:

PROJECT BACKGROUND:

PROJECT PROPOSAL:

------------------------------GRAVEL ROADS------------------------------

The identified gravel road rebuild projects below are not anticipated to have an effect on the operating costs of the municipality.

Road	Fiscal Year	Estimated Cost	Anticipated Funding	Project Description
Irish Settlement Road	FY19-20	$275,000	20-Year Loan	Rebuilding three sections of the gravel road from 225 to 250, 569 to 586 and 603-633.
Poker Hill Road	FY19-20	$225,000	20-Year Loan	Rebuilding two sections of the gravel road from 196 to 250 and 562 to 570.
English Settlement Road	FY19-20	$75,000	Tax Revenue	Rebuilding approximately 0.25 miles between 100 English Settlement Road and Tupper Road.
English Settlement Road	FY22-23	$250,000	20-Year Loan	Rebuild approximately 0.6 miles that would be remaining

Gravel road capital projects are part of the capital improvement program because of the rebuilding that is often required due to the spring mud-season and the breakdown of the travel service. Since various sections of the roads fall into disrepair, especially when a repair has not occurred in several years, attention is needed to provide for better desired travel conditions. The aforementioned capital projects relating to gravel roads are anticipated to be funded through a package of three separate Bank loans over the course of the next several years.

----------------------------------EQUIPMENT--------------------------------

The identified equipment purchases below are anticipated to have a reduce operating costs for the municipality, as there is an expectation that the new equipment will require less maintenance attention.

1.

(FY)

FISCAL YEAR:
ESTIMATED COST:
ORIGINALLY PURCHASED:
ANTICIPATED FUNDING SOURCES:

⇒

PROJECT BACKGROUND:

PROJECT PROPOSAL:

-----------------------MISCELLANEOUS PROJECTS-----------------------

The identified sidewalk project below is anticipated to increase operating costs of the municipality if the sidewalks are required to be maintained by the Town.

1.

(FY)

FISCAL YEAR:
ESTIMATED COST:
ANTICIPATED FUNDING SOURCES:

⇒

PROJECT DESCRIPTION:

PROJECT BACKGROUND:

PROJECT PROPOSAL:

Appendix A
Capital Budget Spreadsheet

Appendix B
Beyond Fiscal Year 2023-2024

While the Capital Improvement Program does not require municipalities to forecast capital projects beyond the five-year period, the following projects have been identified as possible projects to include in future Capital Improvement Plans. Additionally, an approximate fiscal year has been assigned to each project, noting however, that the assigned fiscal year is subject to change depending on the dynamics of future Capital Improvement Plans/expenditures.

	Fiscal Year	Estimated Cost
Conservation Commission	None foreseen at this time.	
Development Review Board	None foreseen at this time.	
Energy Committee	None foreseen at this time.	
Historical Society	None foreseen at this time.	
Planning Commission	None foreseen at this time.	
Recreation Committee	None foreseen at this time.	
Town Office Departments	None foreseen at this time.	
Highway Dept./Infrastructure Committee		
Bridges/Culvert Replacements	None foreseen at this time.	
Pavement Rebuilds	None foreseen at this time.	
Gravel Rebuilds	None foreseen at this time.	
Equipment		
Replace 2008 Single Axle	FY26-27	$180,000
Replace 2018 Tandem Axle	FY 28-29	$190,000
Replace Grader	FY29-30	$450,000
Miscellaneous	None foreseen at this time	

Appendix C
Other Non-Capital Projects

The projects identified below are other, non-capital paving related (shim and/or overlay) projects that are proposed to occur over the next decade. As indicated throughout this document, the assigned fiscal year is subject to change depending on the dynamics of future Capital Improvement Plans/expenditures.

Road	Last Paved	Fiscal Year	Estimated Cost	Anticipated Funding
Meadow Lane	2006	FY19-20	$30,000	None at this time.
Sugar Hill	2006	FY19-20	$30,000	None at this time.
River Road (Remaining Portion)		FY19-20		None at this Time
Green Street	Unknown	FY20-21	$20,000	None at this time.
Town Hall Parking Lot	Unknown			
Park Street	2006	FY21-22	$40,000	None at this time.
Beartown Road	2007	FY21-22	$50,000	None at this time.
Sand Hill Road	2007	FY21-22	$30,000	None at this time.
Pleasant Valley Road (~2.0 miles)	Unknown	FY23-24	$205,000	$175,000
Range Road	2007	FY24-25	$80,000	None at this time.
Mountain Road	2008	FY24-25	$45,000	None at this time.
Irish Settlement Road	2017	FY25-26	$125,000	None at this time.
Pleasant Valley Road (~2.0 miles)	Unknown	FY25-26	$215,000	$175,000
Stevensville Road	2013	FY26-27	$105,000	None at this time.
Pleasant Valley Road (~2.0 miles)	Unknown	FY27-28)	$255,000	$175,000

Appendix C
Town of Underhill Capital Program and Budget Policy

Purpose: The purpose of this Capital Program and Budget Policy is to establish a capital improvement program (CIP) for the Town of Underhill, VT in accordance with 24 VSA § 4433. The capital assets of the Town and their condition are critical to the quality of services provided to the municipality. A CIP is a multi-year financial plan for the construction or acquisition of capital assets. The CIP provides for the planning of future financial resources and financing of projects, including allocations from current operating budgets, funding of capital reserves, or the use of capital debt. It also identifies the future financial resources required to operate and maintain capital assets once they have been acquired. Through a CIP, the Town can plan future large operating budget expenditures, debt repayment requirements, and potential reserve fund needs in order to better manage the long-term financial position the Town.

Capital Improvement Plan and Budget: The Selectboard will adopt a five-year CIP for the Town of underhill, VT. This plan will include the Town's 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. The Planning Commission will review the CIP annually and make recommendations for amendment to the Selectboard by July 1 of each year. The Selectboard will then review and update the CIP annually by September 1.

The CIP will be arranged to indicate order of priority of each capital project and to state for each project the following:

1. A description of each proposed project and the estimated total cost of the project.
2. The proposed method of financing, indicated the amount to be financed by direct budgetary appropriation or duly established reserve funds; the amount estimated to be received from federal and/or state governments and the amount to be financed by the issuance of debt obligations. Debt obligations will show the proposed type of obligation(s), together with the period of probable usefulness for which they are proposed to be issued; and
3. An estimate of the effect, if any, upon operating costs of the municipality.

Each year the Selectboard will develop a capital budget that lists and describes the capital expenditures to be undertaken by the town during the coming fiscal year. As resources are available, the capital budet will be incorporated into the current year operating budget.

Capital Expenditures: For purposes of the CIP, a capital expenditure is defined as any expenditure for vehicles and equipment costing at least or more than $5,000.00. For land, land improvements, buildings, building improvements, infrastructure (roads, bridges, water and waste water distribution and collection systems) costing at least or more than $25,000.

Reserve Funds: In conjunction with the Town's debt management policy, the selectboard shall annually propose funding of reserve funds created in accordance with 24 VSA § 2804 to accumulate resources to pay for items included in the CIP. The use of such reserve funds should minimize fluctuations in the tax rate and will reduce the need for incurring additional debt. Other capital improvements may be funded by bond issue or through the operating budget.

Priority Criteria: Capital projects 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 number of residents the project or asset will benefit;
5. The project or asset will improve the quality of existing infrastructure;
6. Grant funds are available to assist in funding the project.

The foregoing policy is hereby adopted by the selectboard of the town of Underhill, Vermont, this 20th day of June and is effective as of this date until amended or repealed.

Signed:
Brad Holden, Chair, Dated June 20, 2013
Seth Friedman, Vice Chair, Dated June 20, 2013
David Rogers, Dated June 20, 2013