

TOWN OF WAITSFIELD

CAPITAL IMPROVEMENT PROGRAM

2009 to 2014

**Adopted by the Waitsfield Selectboard
January 26, 2009**

**Town of Waitsfield
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Town of Waitsfield, Vermont
CAPITAL IMPROVEMENT PROGRAM
2009 – 2014

PURPOSE

Municipalities are authorized to adopt capital budgets and programs under 24 V.S.A. § 4403(1), of the Municipal and Regional Planning and Development Act. The purposes of the Capital Improvement Program are:

- 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; and
- to anticipate facility and service problems and take advantage of opportunities for service efficiencies.

As a planning tool, 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.

DEVELOPMENT OF THE CAPITAL IMPROVEMENT PROGRAM

1) Identification of Capital Projects

A capital project is any major, non-recurring expenditure, such as land or road equipment purchase, or building construction or improvement. These differ from regular, ongoing operating expenses, such as salaries, utilities, road maintenance, etc.

According to Vermont law, "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." [24 V.S.A. § 4430(a)]

To maintain Waitsfield's Capital Improvement Program, the Selectboard identifies the capital projects they anticipate over the next six years. Among their considerations are condition of present equipment, equipment needs, new growth requirements, and facilities for Town operations. School District debt service and future needs should also be taken into consideration.

2) Project Scheduling and Choice of Financing

Capital projects are programmed according to the expected timing of their need. The method of funding for the projects (outright purchase, short-term notes, reserve fund, bonding, etc.) is based upon municipal financial practices and the ability of the annual general budget to absorb expenditures. In other words, if a project would result in a major increase in the tax rate for one year, phasing of the expenditure either by funding through a note, depreciation account, or reserve fund is proposed. The result is a more even distribution of annual expenditures by the Town and a more stable tax rate.

3) Adoption of the Capital Improvement Program

The Capital Improvement Program is adopted in accordance with the provisions of 24 V.S.A. §4403(1) of the Municipal and Regional Planning and Development Act. The Selectboard holds at least one public hearing and files a copy of the proposal with the Town Clerk and Planning Commission. The Planning Commission may submit recommendations annually to the Selectboard for the capital budget and program, that shall be in conformance with the municipal plan [24 V.S.A. §4430(c)]. The Capital Improvement Program is then adopted by an act of the Selectboard following the final public hearing.

4) Process for Use and Updating the Capital Improvement Program

As the Selectboard prepares its budget for Town Meeting, the first year of the Capital Improvement Program is reviewed for inclusion as the capital budget for that year. Adjustments are made as necessary to the capital budget schedule to reflect more recent cost data and any changes in financing or project need. Examples of such changes are deferral of a project due to unforeseen priority needs or financial constraints, and additions to the program. Each year as the capital budget is prepared, one more year is added to the capital program. Suggestions for new capital projects are welcomed from other Town Boards, Town Clerk, Treasurer, Road Commissioner, and School Board. As capital projects are added, consideration is given to their method of financing. Projections of operating expenditures and debt service are extended at the same time to determine the effect of any capital items on the budget for the additional year.

5) Format for the Capital Improvement Program

The chart following the project descriptions represents the Waitsfield Capital Improvement Program for the period 2009 – 2014. The first portion of the chart, Capital Projects, lists the Town's anticipated capital needs, including various road equipment, fire department equipment, school buses, road and bridge improvements, and town and school buildings. The total anticipated cost for the project is listed in the far right column, which may include funds from other sources. A column has been added that indicates whether other sources of funding are expected. A cost is listed for each item in columns representing the years within the program period. A total dollar amount for capital expenditures is provided by year. The second portion of the chart indicates contributions to depreciation accounts (reserve funds) necessary to achieve projects and purchases planned to be paid for from such funding. The third portion of the chart indicates debt service repayment schedules for current notes and bonded debts. Finally, the chart lists the net total amount of capital expenditures proposed to be paid for from general taxes for each year in the above three categories.

The following narrative descriptions of capital projects provide greater detail about the need and financial planning for each project.

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PROJECT DESCRIPTIONS

The following are narrative descriptions of planned capital improvement projects for the Town of Waitsfield:

Road Department Trucks

1997 Dump Truck Replaced – A new tandem dump truck was purchased in 2007 with funds from Truck Reserve Fund and a 3-year note for \$90,000. The 1997 dump truck was kept as a back-up.

Replace 2002 Low Profile Truck – On an eight year replacement schedule for the Town's smaller truck, this purchase would take place in 2010. Estimated cost of a new truck is \$75,000, after resale of the old truck. This truck is expected to be paid for from the Road Department equipment reserve fund for trucks.

Road Department Backhoe - The 1992 Caterpillar backhoe was replaced in 2007, paid for entirely from the Road Department heavy equipment reserve fund.

Replace 1994 Bucket Loader. The 1994 bucket loader is expected to be replaced in 2009. With a trade-in value estimated to be \$26,000 and purchase price in the area of \$111,000, a new bucket loader would be purchased with a combination of Road Department heavy equipment reserve fund (\$52,000) and a four year note for approximately \$35,000.

Police Cruiser

The Town owns a police cruiser utilized in its police patrol program under contract with the Washington County Sheriff's Department. In the past, these vehicles have been purchased via lease or note. The 2003 vehicle was replaced in 2008 with a 4-wheel drive vehicle through a 4-year note.

Route 100 Transportation Path

The Town and Vermont Agency of Transportation entered a Cooperative Agreement in 1994 for the construction of bicycle and pedestrian transportation improvements on Route 100 between the Waitsfield Elementary School and Route 17 intersection. Improvements will include paving the existing gravel Irasville sidewalks, construction of additional sidewalk segments in Irasville to continue to Bragg Hill Road, installation of curbing where necessary, re-striping the white lines dividing traveled lanes and shoulder, widening and paving shoulders where necessary, painting bicycle symbols and installing signs, and various landscaping improvements. Remaining project costs had been estimated to be about \$1,200,000, with the Town contributing 10% of project costs, and 90% coming from state and federal funds. Conceptual plans for the project were completed in 1998. The project was held back for a few years awaiting progress on the village water and sewage feasibility studies, so that the construction of the transportation path and other village infrastructure might be coordinated. In 2001, the Town hired a municipal project manager to coordinate the project. Final design consultants were hired in 2002.

Engineering and design work, as well as right-of-way acquisition and permitting is nearly complete and will continue in 2009. The plans are currently awaiting approval from the VTrans Right of Way Division, which is the last major hurdle. Construction is planned to be coordinated with the Village water and sewage systems to avoid disturbance of improvements by utility construction, and is therefore currently expected to take place in 2010.

New Municipal Building

The Town Office currently located in the lower level of the Joslin Memorial Library building has become increasingly crowded over the past twenty years and is not accessible to persons using wheelchairs. It is anticipated a new office should be constructed with larger vault and town clerk space, separate meeting room for town boards (to accommodate up to 40 persons), private offices for the town administrator, planning & zoning administrator, and assessor. It is currently believed that an expansion of the Joslin Memorial Library building or a new municipal building at the General Wait House property are the two most likely options for such a new facility, unless another suitable location can be established. However, the on-site septic systems in each location are an impediment, which means that new office space may not be possible until a municipal wastewater system has been developed.

New Road Department Salt Shed

The existing salt shed is does not meet possible future state requirements to stockpile the material needed. A new “bunker silo” style concrete floor and walls are planned with a truss roof. A new facility would also help to prevent possible ground water contamination. State storm water management regulations have been under revision and such improvements may ultimately be mandated.

Waitsfield-Fayston Fire Department Fire Truck

The 1987 pumper truck is proposed to be replaced in 2011. Depending on the features included, it could cost in the area of \$200,000 to \$300,000. Waitsfield’s 60% share (\$120,000 to \$180,000) would be paid from the Fire Truck Reserve Fund. Grants may also be available to cover all or some of the cost.

Irasville and Village Water and Sewage Systems

In order to resolve a number of existing and avoid future site problems with properties with water supply and sewage disposal problems, and to accommodate economic growth needs within the community in existing village centers and avoid unnecessary sprawl into the rural landscape, the development of municipal water and sewage systems are being considered. Building opportunities, particularly in Irasville, are limited by existing building locations and water and sewage system isolation requirements.

Wastewater. The Town completed several years of feasibility planning and engineering for the creation of a municipal sewage disposal system for the Waitsfield Village and Irasville portions of the Town in 2004. The Town owns a property capable of sewage disposal (so-called Munn site at intersection of Route 100 and Kingsbury Road). In late 2005, the Selectboard signed a contract for engineering services for final design of the wastewater system. Final designs and permitting were under way to construct a phased wastewater system when two bond articles were defeated at the March 4, 2008 Town Meeting that asked voters whether to approve Phases 1

(\$5.5 million) and Phase 2 (\$5 million) of the wastewater project. Phase 1 would have provided in-ground treatment for up to 18,000 gallons per day serving only Irasville at an estimated cost of \$5.5 million. Phase 2 would have included construction of a tertiary treatment system that would increase disposal capacity to more than 90,000 gallons per day. In an effort to reduce costs the wastewater system is proposed to serve only Irasville. A potentially more cost-effective alternative is proposed to be explored to the north to serve Waitsfield Village.

Defeat of the bond articles brought work on the project to standstill, though there remains a strong sentiment among Irasville and Village property owners that a municipal wastewater system is a high priority and must continue to be pursued. Whether the same project or a modified approach is brought back to voters in the future is uncertain, but it is included as a placeholder in 2012 and \$1 million was added to the cost of each phase to account for inflation. It is important to note that if the Town wishes to proceed with the submission of the Growth Center Designation application and TIF District application, wastewater disposal will need to be shown as being anticipated within five years. It is expected that short-term financing will be used to provide funds needed for additional planning, engineering, permitting, etc. necessary to bring the project to construction. These studies were funded through more than \$613,000 in no-interest revolving loan funds through the Vermont Agency of Natural Resources that will need to be paid back over 15 years beginning in 2012.

Water. A water source in the southeast quadrant of town for a municipal waster system was identified and, after further study, a well was drilled at the end of the Class 4 Reed Road in 2006. Final engineering and permitting are underway for a municipal water system that will begin at the Reed Road well head, and follow the Town's rights-of-way along Long Road, down Bushnell Road, and to a new storage tank to be constructed on the Town-owned former LeClair gravel pit site. From the tank, the transmission mains will follow a right-of-way to Tremblay Road, where it would meet Route 100 and continue on to the Village and Irasville. Hydrants will provide fire protection along the route. An alternative route following Old County Road has been included, primarily for fire protection for the residential neighborhood.

Although the project would be paid for entirely by water users through hook-up and annual fees, a bond vote for this \$7.6 million project was narrowly defeated at the March 4 Town Meeting. A modified project was brought back to voters in June and narrowly defeated again. A citizen petition calling for reconsideration succeeded in having the matter brought back to voters in September, but a defect in the warning process pushed it to November 4, where it passed by a mere 38 votes.

The feasibility studies for the water project were initially funded through the State Revolving Fund of the Vermont Agency of Natural Resources. Repayment of the \$311,000, 5-year, no-interest loans is delayed until December 1, 2012 unless rolled into the construction financing before then, which is expected to be the case. Funding for construction, as well as reimbursement for the planning and engineering costs, is expected to be in form a grant (\$1.7 million) and loan (\$3.8 million) package through U.S.D.A. Rural Development and earmarked funds (\$2 million) through the U.S. Environmental Protection Agency. The remaining costs, as well as the \$3.8 million loan over 40 years, will be paid by connected users through connection and annual fees.

The water project is at the 60% design phase and is expected to be completed and permits obtained in 2009. Once Act 250 approval has been obtained, the project will be ready to go out to bid, which is currently planned for summer 2009, with construction beginning in the fall of 2009 or spring 2010. Costs for this stage of the project will need to be covered through short-term borrowing, which will be reimbursed through the grant and loan packages mentioned above.

Municipal Gravel Pit

In 2006 Waitsfield voters authorized the Selectboard to purchase property belonging to Robert L. Howard and the Estate of Phyllis Tucker for \$350,000 for development of a municipal gravel supply and for future redevelopment. The parcel (Tax Map #99037.000) is approximately 77 acres located off of Route 100. It was purchased with \$125,000 from Chittenden Bank, \$175,000 borrowed from Mr. Howard, \$25,000 from the gravel reserve fund, and \$25,000 from the gravel line item in the general fund. The loans will be paid back over a five year period. Phelps Engineering was hired after a competitive bid process in 2008 to help the Town obtain the necessary approvals to bring the gravel pit on-line. Local conditional use approval was obtained in 2008 and state approvals are expected to be forthcoming in 2009. Funds are budgeted to be borrowed in 2009 to complete the permit process, build a bridge, acquire an access easement, pave the access road, and site development.

Culvert Replacement Projects

With help from the Friends of the Mad River, Waitsfield was awarded a \$4,000 grant from the Better Back Roads program to inventory road-related erosion locations and develop a five year capital plan to prioritize and fund needed improvements. Robert J. Turner and Associates of Bristol, Vermont were hired following a competitive bid process and his report was completed in December 2008, which identified 18 structures that were rated as high or medium-high priority for replacement or other form of remedial treatment. The figures reflected in the Capital Plan come from this report.

Paving Projects

After the debt service on the 2006 paving note will be paid off 2011, borrowing is planned to begin major re-paving of Joslin Hill Road. In the meantime, the 2009 operating budget includes funds to patch the more serious ruts to get it through the next couple years.

Covered Bridge Repairs

In 2008, the Town of Waitsfield was awarded \$273,000 in federal funds through the VTrans Enhancement Grant program to address the cantilevered sidewalk on the north side of the Waitsfield Village 1833 Covered Bridge and repair the bridge's abutments. The Covered Bridge Repairs Reserve Fund was re-established in 2008 to set monies aside to meet the Town's matching funds obligation of approximately \$70,000. Even if the grant had not been funded, the funds would be necessary to address the bridge's structural issues. The 1833 Village Covered Bridge is confirmed to be *the* oldest covered bridge in Vermont still in everyday use and the Town is committed to preserving this historic Vermont landmark.

Town Pond

In April 2008, following a period of heavy rains and saturated soils, part of the town pond impoundment collapsed over the outlet pipe that drains into the wetland to the north. Water levels in the pond and wetland were lowered to reduce the threat of water breaching the banks of the pond or further the failure of the impoundment. After a competitive bid process, Weston and Sampson Engineers was hired to prepare an inspection and assessment report of the dam. Several alternatives for remedial measures were investigated, including No Action, Dam Removal, Dam Rehabilitation, and Dam Replacement. The town pond is a community resource. Not only is it valued for its aesthetic and recreation opportunities, it provides fire protection, stormwater treatment, and wildlife habitat. W&S recommended that the pond remain in place and that the dam be rehabilitated. A public hearing was held in June at the Big Picture Theater, and the overwhelming feedback was to repair, maintain, and improve the pond as a community asset. Though the pond does not fall within Vermont Dam Safety Division oversight, W&S prepared a rehabilitation plan based on State standards and included design provisions to allow the water level in the wetland to the north rise in the event beavers resume residence there. W&S estimates the cost for rehabilitating the dam to be in the area of \$75,000, which does not include dredging. If voters concur at Town Meeting, the Selectboard proposes to finance the repair with a 5-year note.

**Town of Waitsfield, Vermont
Capital Budget and Program
2009-2014**

TABLE 1. Capital Projects and Funding Sources

	Other Funds	2009	2010	2011	2012	2013	2014	TOTAL PROJ. COST
Financed by Reserve Funds:								
Covered Bridge Rep. & Maint.	Fed	171,860	171,860					343,720
Culvert Replacement Projects			14,500	13,500	70,000	40,000	70,000	208,000
Fire Department Roof Replacement			36,000					36,000
Replace 02 Low Profile Truck			75,000					75,000
Replace 94 Bucket Loader	Borrowing	52,000						111,000
Rt. 100 Trans. Path (Town 10%)	State/Fed		1,200,000					1,200,000
New Police Cruiser				120,000			36,000	36,000
Replace Fire Truck				120,000				300,000
Financed by Borrowing:								
Gravel pit permitting & development		81,000						81,000
Joslin Hill Paving					300,000			300,000
Municipal Water System	Fed/Users	3,800,000	3,800,000					7,600,000
Municipal Sewage System Phase 1	Fed/Users				8,500,000			8,500,000
Municipal Sewage System Phase 2	Fed/Users				8,000,000			8,000,000
New Municipal Building				750,000				750,000
New Police Cruiser							26,000	26,000
Replace 94 Bucket Loader	Reserve	36,000						[111,000]
Town Pond Repair & Maintenance		100,000						100,000
Financed by Operating Funds:								
Replace Salt Shed			20,000	20,000				40,000
Total Annual Project Costs		4,240,860	5,317,360	903,500	16,870,000	40,000	132,000	27,503,720

TABLE 2. Contributions to Reserve Funds

Reserve Accounts:	12/31/2008 Balance	2009	2010	2011	2012	2013	2014	TOTAL
Covered Bridge Maintenance	30,000	20,000	20,000					70,000
Culvert Replacement Projects			40,000	40,000	40,000	40,000	40,000	200,000
Fire Dept. Roof Repair	14,020	7,000	7,000					28,020
Fire Truck Replacement	77,862	15,000	15,000	15,000	15,000	15,000	15,000	167,862
Gravel Pit	16,242							16,242
Joslin Library Repair	12,828	2,500	2,500	2,500	2,500	2,500	2,500	27,828
Restroom/Recreation/Conservation	51,886	2,500	2,500	2,500	2,500	2,500	2,500	66,886
Forest Stewardship Account	5,000							5,000
Road Dept. Truck	37,503	30,000	30,000	30,000	30,000	30,000	30,000	217,503
Road Dept. Heavy Equipment	51,428	15,000	15,000	15,000	15,000	15,000	15,000	141,428
Rt. 100 Transportation Path	139,538							139,538
Street Trees	3,174	5,000	5,000	5,000	5,000	5,000	5,000	33,174
TIF District Application	14,324							40,000
Total Annual Reserve Costs		97,000	137,000	110,000	110,000	110,000	110,000	1,153,481

TABLE 3. Debt Service Payments

Loans:	2009	2010	2011	2012	2013	2014	TOTAL
2007 Dump Truck	32,550	31,275					63,825
Gravel Pit Purchase	55,584	53,688	51,772	49,896			210,940
Gravel Pit Development	21,000	20,000	20,000	20,000			81,000
New Municipal Building Bond			40,000	40,000	40,000	40,000	160,000
Replace 1994 Bucket Loader	9,000	9,000	9,000	9,000			36,000
Replace Police Cruiser	7,674	7,674	7,674			8,000	31,021
Road Paving Projects Debt	105,830	102,220	98,610	80,000	80,000	80,000	546,660
Town Pond Repair/Maintenance	20,000	20,000	20,000	20,000	20,000		100,000
Wastewater Loan RF1-058, 15-yr no interest				51,233	51,233	51,233	613,386
Water Loan WPL-003, 5-yr no interest				42,149	42,149	42,149	210,747
Water Loan WPL-093, 5-yr no interest				20,000	20,000	20,000	93,215
Total Annual Debt Service	251,638	243,857	247,056	332,279	253,383	241,383	1,569,594
TOTAL ANNUAL C.I.P. COSTS	348,638	380,857	357,056	442,279	363,383	351,383	2,243,594

NOTE: Total annual CIP costs include funds from the operating year budget, contributions to reserve funds, and debt service repayments.