

Town of Fairfax, VT

FY22-FY27 Capital Budget & Program

1. PURPOSE

The Town of Fairfax is a rapidly growing community at the intersection of Franklin, Chittenden, and Lamoille Counties in northwestern Vermont. Preliminary 2020 census numbers estimate the Town's population at 5,014 people or almost double the 1990 population of 2,486 people. The growth rate since 2010 is estimated to be 17% making Fairfax one of the ten fastest growing towns during a time at which many towns are losing population. On August 27, 2002 Fairfax adopted a *Capital Improvement Program* to assist the Town in planning for capital projects for facilities and equipment to address the expanding population. This *Capital Budget & Program* is a continuation of the original 2002 Program and includes a one-year capital budget for the current fiscal year and a five-year capital program for future fiscal years.

A capital budget and program serves to identify and plan for the Town's capital needs in accordance with 24 VSA, Chapter 117, §4443. Each year, prior to developing the municipal budget, the capital budget and program should be revisited, revised, and readopted by the Selectboard. This process allows the Selectboard and staff to identify, prioritize, schedule, and track capital projects and assign resources to accomplish these projects. The capital budget and program includes an inventory of existing facilities and equipment, projects planned capital projects in the current fiscal year and successive five years, estimated costs of the projects, and proposed method of financing. The capital budget and program can also identify future projects that do not have identified costs or funding yet.

2. DEFINING A CAPITAL PROJECT, THE PROCESS, AND AUTHORITY

A. WHAT IS A CAPITAL PROJECT?

A capital project is defined as any one or more of the following as per Title 24, Chapter 117, §4430:

- (1) Any physical betterment or improvement, including furnishings, machinery, apparatus, or equipment for the 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. WHAT IS THE PROCESS FOR ADOPTING A CAPITAL PLAN & BUDGET?

The Town must follow VSA, Title 24, § 4443 to adoption, amended, or repeal a 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.”

C. WHAT IS THE LEGAL AUTHORITY FOR A CAPITAL BUDGET & PROGRAM?

The legal authority for a capital budget and program is taken from 24 V.S.A. § 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. A capital project is any one or more of the following:
 - (1) Any physical betterment or improvement, including furnishings, machinery, apparatus, or equipment for the 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 of duly established reserve 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 municipality.
- (c) The Planning Commission may submit recommendations annually to the legislative body for the capital budget and program that shall be in conformance with the municipal plan.”

The Planning Commission should be engaged in the development of the capital budget & program early. Additional authority for the Commission is provided in 24 V.S.A § 4325 to: “Prepare and present a recommended capital budget and program for a period of five years, as set forth under section 4440 of this title, for action by the legislative body, as set forth under section 4443 of this title.”

Section 4440 of 24 V.S.A. further details:

“(a) Appropriations may be made by any municipality to finance the work of planning commissions, regional planning commissions, administrative officers, appropriate municipal panels, and other officials in the preparation, adoption, administration, and enforcement of development plans and supporting plans, bylaws, capital budgets and programs, and other regulatory and non-regulatory efforts to implement the municipal plan, and to support or oppose, upon appeal to the courts, decisions of an appropriate municipal panel. For these same purposes, any municipality may accept gifts and grants of money and services from private sources and from the state and federal governments.”

3. CAPITAL BUDGET & PROGRAM AMENDMENTS

The following administrative amendments to the capital budget and plan may be approved by Town Manager:

- A. The reduction in cost of a previously approved project.
- B. The removal or deferral of previously approved projects.
- C. The addition of eligible projects as defined herein that are; 1) less than \$5,000, and 2) do not exceed the amounts available within the capital plan or funding program for the budget year.
- D. Increasing the cost of a previously approved project by no greater than 15%, where the increase does not exceed the amounts available within the budget.

All other amendments shall be considered major amendments and put before the Selectboard to amend the capital budget and program in accordance with 24 V.S.A. Section 4443(b).

4. REVENUE

The Town of Fairfax’s Capital Budget & Program is funded by: 1) voter approved municipal budgets, voter approved debt, utility fees, impact fees adopted in accordance with 24 V.S.A. Section 5203, grants, equipment sales or trades, and other miscellaneous forms of revenue.

A. Voter Approved Municipal Budgets & Debt

The majority of funding for capital budget & program expenses are through the annual municipal budget at this time. This includes facility improvements and equipment purchase and replacement. Contained within municipal budgets is the funding authorization to pay for previous bond votes. As of FY22, the Town has the following debts:

- 1. Town Office Bond maturing in 2034 with annual payment averaging \$64,000.
- 2. Water Meter Bond maturing in 2049 with annual payments of \$9,100
- 3. Wastewater Evaluation Bond maturing in 2028 with annual payments of \$3,570
- 4. Water System Bond maturing in 2031 with annual payments of \$43,040.46

Not included in the bonded debt are leases for DPW equipment that, in FY22, totaled \$63,942. With multi-year planning efforts renewed in FY22, it is desired that the proportional share of the capital budget and program will decrease its reliance on annual municipal budgets and indebtedness should not increase.

B. Utility Fees

Water and sewer users pay fees set by the Fairfax Selectboard acting as the Board of Sewer Commissioners or Water Commissioners. These fees are used to pay for the operating expenses of the utility as well as capital projects. In the debts listed above, the last three are paid by user fees although guaranteed by the voters. Water and sewer fees are revisited as needed which historically has occurred with more than one year between rate changes. Increases to user fees trend to gradual increases and are generally proportional in cost to use of the utility.

C. Impact Fees

The Town of Fairfax adopted an *Impact Fee Ordinance* on August 19, 2002. The Ordinance established impact fees for new residential units “to pay portions of the cost of constructing new capital facilities to the extent that new capital facilities are required by new development and such facilities benefit the new development and new residents and owners shall bear an appropriate portion of the costs of constructing the new facilities.”

Per 24 V.S.A. Section 5204, the Town maintains a confirmed Town Plan and Capital Budget & Program. The Ordinance provides for impact fees for recreation, highway (transportation), fire, town administration, and education. The Ordinance provides a level of service for each of these cost centers and the proportional share that new residential units must pay. The number of new residential units fluctuates from year to year and impact fee funds can therefore be irregular.

In determining costs, the Ordinance looks to the capital facilities listed herein. It should be noted that since the adoption of the Impact Fee Ordinance, several large projects have been undertaken including the construction of a new town office building, acquiring the community center, and the purchase of several new highway and fire vehicles and equipment. These projects have resulted in the Town incurring debt including a bond. The fees collected may be used to assist in paying the debt as well as for paying proportional costs of projects in the Town’s capital budget and program. An exception should be noted for school or educational projects that are separately planned for and enumerated by the Fairfax School District. Impact fees collected should be planned for use within six years of the date of collection as payees can request refunds of fees not used after six years.

D. Grants

A variety of grants, primarily from state and federal sources, are used to help offset capital projects for both facilities and equipment. Historically the most regularly received grant money has been state grant funds for DPW facilities. State programs for DPW include the Municipal Roads Grants in Aid Program and the Better Back Roads Program that have funded improvements to the Town’s transportation network. These programs

are expected to bring in more than \$120,000 in funding in FY22. In FY18 the Town of Fairfax obtained federal Economic Development Administration and Northern Borders Region grants for the extension of utilities on Fletcher Road in FY22 to serve Runamok Maple. The Town has also been successful in obtaining state VTrans Bicycle & Pedestrian Program funds for sidewalk construction in recent years. The Department of Parks and Recreation has applied for state enhancement of recreation stewardship and access grant for trail improvements and for a state historic preservation grant for the community center in FY22 with possible funding for FY23. In times of disaster, Federal Emergency Management Agency public assistance funds have been accessed to assist with capital facility repairs and replacement.

Most grant funds require local match from the municipality from funds that are not state or federal. In times of disaster, FEMA funds repay only up to 75% of eligible community expenses. Grant fundings is never a certainty and can come with additional administration costs to the municipality. Efforts to apply for and receive grant funds should be sustained as a method of accomplishing capital projects but additional costs and obligations of the programs should be included in the project costs.

E. Equipment Sales or Trades

Whenever feasible, existing equipment may be repurposed, sold, or traded to benefit the capital program and budget and help to off-set the cost of new equipment. An example of repurposing is the planned retirement of a fire pump truck to be used as a tank truck for DPW. In FY22 the Mahindra Tractor was sold and the proceeds used to purchase the MB Sidewalk Plow. Trucks are generally traded in with proceeds used to purchase planned new trucks reducing the planned purchase cost. Due to the miles, hours, and condition of equipment, the value of equipment and trades and off-sets to the cost of new equipment can not be determined and relied upon for the purposes of this budget and program.

F. Other Forms of Revenue.

Other forms of revenue include donations, fees for using recreational facilities, and capital fund-raising campaigns. These forms of revenue vary significantly in amounts are not reliable forms of revenue and can be unanticipated. With these forms of revenue, some of the projects identified on the eligible projects list may become actionable during the term of this capital budget and program.

5. PLANNED CAPITAL PROJECTS & EXPENSES

Expenditures are limited to those purchases that by definition are considered capital projects. Spending authority is granted when the Selectboard adopts the Capital Budget & Program following a public hearing and consultation with the Planning Commission. Spending authority is for the FY22 Capital Budget, and such authority extends until the project is completed. As the sources of funding for projects varies annually based upon voter approved municipal budgets, impact fee collection, grants, and other funding source it is important to revisit the planned capital projects each fiscal year based upon funds available.

FY22-FY27 Fairfax Capital Budget & Program

This plan was designed to address the short- and long-term capital needs of the Town’s equipment and facilities by identifying significant cost items generally in excess of \$5,000 in value.

The proposed FY22 Capital Budget contains a total of 29 capital projects totaling \$765,483 (excluding previous projects completed and associated debt service). Approximately 23% or \$183,000 is expected to come from state and federal grants. The remaining \$582,483 will be funded by impacts fees and local property tax dollars.

The proposed FY23-FY27 Capital Program contains 68 capital projects totaling \$4,963,940 in spending (excluding previous projects completed and associated debt service). Approximately 15% or \$750,000 is expected to come from state and federal grants. The remaining \$4,213,940 will be funded by impact fees, local property tax dollars from voter approved annual budgets, and other revenues.

A. Administrative Facilities

Facility	Location	Project	Proposed Capital Budget					
			FY22	FY23	FY24	FY25	FY26	FY27
Town Offices	12 Buck Hollow Rd	Construction Loan	\$64,000	\$64,000	\$64,000	\$64,000	\$64,000	\$64,000
		Generator	\$13,000					
		Paving & Drainage		\$10,000				
Covered Bridge	Maple St							
Turnaround	Fletcher Rd							
Gateway Signage	Various			\$3,000	\$6,000	\$6,000	\$6,000	\$7,200
Streetscape Improvements	Village				\$7,500		\$10,000	
Totals			\$77,000	\$77,000	\$77,500	\$70,000	\$80,000	\$71,200
Grand Totals FY23-27				\$375,700				

B. Cemeteries

Facility	Location	Project	Proposed Capital Budget						Notes
			FY22	FY23	FY24	FY25	FY26	FY27	
Settlers Site	24 Broad St								
Beaver Cemetery	Farm Rd								Some interment space
Kingsbury / Hibbard Cemetery	Oakland Station Rd								
Safford Cemetery	Buck Hollow Rd								
Spafford Cemetery	Spafford Rd								
Mudget Cemetery	Fletcher Rd	New Access	\$5,000		\$20,000				
Beeman Cemetery	Rt 104								
Carroll Hill Cemetery	Carroll Hill Rd								Interment space available
Kezer	Rocky Ridge Rd								Not maintained
Learned	Huntville Rd								Not maintained
Sanderson Corner Cemetery	Fletcher Rd								Fairfax Cemetery Assoc. run
Totals			\$5,000	\$0	\$20,000	\$0	\$0	\$0	
Grand Totals FY23-27				\$20,000					

C. Department of Public Works Facilities

Facility	Project	Proposed Capital Budget					
		FY22	FY23	FY24	FY25	FY26	FY27
Garage	Design Exp		\$5,000				
Salt Shed							
Pole Shed							
Storage Unit	Purchased	\$3,000					
King Rd	Ditching	\$5,500					
Scenic Vista Rd	Ditching	\$5,500					
McNall Rd	Ditching & Paving	\$32,500					
Cherrierville Rd	Ditching	\$5,500					
Swamp Rd	Ditching	\$5,500					
Woodward Rd	Ditching	\$5,500					
Rood Mill	Ditching & Paving	\$32,500					
Hunt St	Ditching	\$5,500					
Nichols Rd	Resurface Dirt Rd	\$30,000					
McNall Rd	Resurface Dirt Rd	\$30,000					
Wood Rd (section)	Resurface Dirt Rd	\$30,000					
Buck Hollow Rd	Paving	\$27,000					
Fletcher Rd (section)	Paving	\$27,000					
Tabor Hill Rd	Paving	\$27,000					
Evergreen Rd	Paving	\$27,000					
Berthiaume Rd	Reconstruct intersection	\$64,000					
Highland Rd	Reconstruct intersection	\$31,000					
Caffee Rd	Reconstruct intersection	\$8,000					
Ferguson Rd	Change grade, culverts, resurface rd & ditching	\$57,000					
Fletcher Rd	Ditching & Paving		\$36,404				
Shepardson Hollow Rd	Ditching		\$5,500				
Flanders Rd	Ditching		\$7,425				
King Rd	Ditching		\$5,500				
Cadiex Rd	Ditching		\$5,500				
Woodward Rd	Resurface Dirt Rd		\$30,000				
Wilkins Rd	Resurface Dirt Rd		\$30,000				
Goose Pond Rd	Resurface Dirt Rd		\$30,000				
Cherrierville Rd	Resurface Dirt Rd		\$30,000				
Comette Rd	Resurface Dirt Rd		\$30,000				
Collum Rd	Resurface Dirt Rd		\$30,000				
Rood Mill Rd	Paving		\$28,571				
Austin Rd	Paving		\$28,571				
McNall Rd	Paving		\$28,571				
Tabor Hill Rd	Paving		\$28,571				
Huntville Rd	Paving		\$28,571				
Evergreen Rd	Paving		\$28,571				
River Rd / Goose Pond Rd	Paving		\$28,571				
Meade Rd	Lower hill		\$80,000				
Austin Rd / Cherriville	Intersection improvement		\$25,000				
Flanders Rd	Change grade, culverts, resurface rd & ditching		\$42,000				
Fanton Rd	Change grade, culverts, resurface rd & ditching		\$48,000				
Swamp Rd	Design culvert replacement & permitting				\$20,000		
	Bridge						\$75,000
Totals		\$459,000	\$640,329	\$0	\$20,000	\$0	\$75,000
Grand Totals FY23-27			\$735,329				

D. Department of Public Works Vehicles & Equipment

Vehicle #	Year	Life Expectancy	Replacement Year	Proposed Capital Budget						Model/Description
				FY22	FY23	FY24	FY25	FY26	FY27	
4	2018	8	2026					\$204,000		DUMP TRUCK
	2015	10	2025				\$168,000			544K LOADER
	2005	20	2025				\$10,000			TRAILER
	1995	37	2032							TANK TRUCK
	2011	20	2031							TRAILER
	2009	15	2024			\$290,000				772D GRADER
	1994	20	n/a							BRUSH CHIPPER 1250A
	2006	20	2026					\$6,000		PRESSURE WASHER (TRAILER MOUNTED)
	2004	10	2023		\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	SILVERADO 2500
2	2021	8	2029	\$29,015	\$29,015	\$29,015	\$29,015			HV507
1	2018	10	2028							3500 SIERRA
3	2019	8	2027						\$204,000	HX620
	2016	20	2026					\$7,500		Trailer
5	2021	8	2029	\$34,927	\$34,927	\$34,927	\$34,927			HX620 W VIKING BODY PLOW AND WING
	2021	10	2031							410L BACKHOE LOADER
	2012	12	2024			\$150,000				Sidewalk Plow
	1985		n/a							TANK TRUCK
										Hydroseeder
	2023				\$26,500	\$26,500	\$26,500	\$26,500	\$26,500	Roadside Mower
	2022			\$12,000						Zero Turn Mower
										Excavator
Totals				\$75,942	\$99,942	\$539,942	\$277,942	\$253,500	\$240,000	
Grand Totals FY23-27					\$1,411,326					

E. Fire Department Facilities

Facility	Project	Proposed Capital Budget					
		FY22	FY23	FY24	FY25	FY26	FY27
Fire Station	Add Bay & Refurbish Bld for \$750,000 financed over 20 yr	\$5,000	\$25,000	\$68,500	\$68,000	\$68,000	\$68,000
Totals		\$5,000	\$25,000	\$68,500	\$68,000	\$68,000	\$68,000
Grand Totals FY23-27			\$297,500				

F. Fire Department Vehicles

Vehicle Name	Year	Life Expectancy	Replacement Yr	Proposed Capital Budget						Model/Description
				FY22	FY23	FY24	FY25	FY26	FY27	
Tanker 1	2002	30	2032							7400 FIRE TRUCK
Engine 1	2004	20	2024			\$550,000				4400 FIRE TRUCK
Tanker 2	2009	30	2039							7400
Engine 2	1995	20	2022						\$550,000	FIRE TRUCK 4900
ATV	2013	10	2023			\$15,000				Outlander 650
Utility 1	2019	10	2029							F350 Crew Cab
Quint	2004	30	2034							75' aerial ladder quint
Totals					\$0	\$0	\$565,000	\$0	\$0	\$550,000
Grand Totals FY23-27						\$1,115,000				

G. Fire Department Equipment

Gear Name	# of sets	Year	Life Expectancy	Replacement Due	Cost New	Replacement Cost	Proposed Capital Budget					
							FY22	FY23	FY24	FY25	FY26	FY27
SCBA	8	2001/2002	20	2022	\$10,000/unit	\$80,000	\$80,000					
SCBA	15	2003/2004	20	2023	\$10,000/unit	\$15,000		\$30,000				
PPE	2	2012	10	2022	\$2,600/unit	\$5,200	\$5,200					
PPE	5	2013	10	2023	\$2,600/unit	\$13,000		\$13,000				
PPE	3	2014	10	2024	\$2,600/unit	\$7,800			\$7,800			
PPE	3	2015	10	2025	\$2,600/unit	\$7,800						
PPE	4	2016	10	2026	\$2,600/unit	\$10,400					\$10,400	
PPE	10	2018	10	2028	\$2,600/unit	\$26,000						
PPE	2	2020	10	2030	\$2,600/unit	\$5,200						
Air tanks	2	2007	15	2022	\$1100/ unit	\$2,200	\$2,200					
Air tanks	6	2008	15	2023	\$1100/ unit	\$6,600		\$6,600				
Air tanks	2	2009	15	2024	\$1100/ unit	\$2,200			\$2,200			
Air tanks	6	2011	15	2026	\$1100/ unit	\$6,600					\$6,600	
Air tanks	2	2012	15	2027	\$1100/ unit	\$2,200						\$2,200
Air tanks	5	2013	15	2028	\$1100/ unit	\$55,000						
Radios												
Thermal Cam	2	2022	10	2032	\$10,000	\$10,000		\$10,000				
Totals							\$87,400	\$59,600	\$10,000	\$0	\$17,000	\$2,200
Grand Totals FY23-27								\$88,800				

H. Parks & Recreation Facilities

		Proposed Capital Budget					
Facility	Project	FY22	FY23	FY24	FY25	FY26	FY27
Community Park	Pavillion & Bathrooms						
	Equipment Storage	\$4,000					
	Field Exp		\$20,000				
	Playground			\$40,000			
Community Corner	Enhancements				\$20,000		
100 Acre Woods	Parking lot & trail exp					\$20,000	
Community Center	Renovations & addition for \$750,000 financed over 20 yrs			\$10,000	\$50,600	\$50,600	\$50,600
Totals		\$4,000	\$20,000	\$50,000	\$70,600	\$70,600	\$50,600
Grand Total FY23-27			\$261,800				

I. Utility Department Facilities

		Proposed Capital Budget					
Facility	Project	FY22	FY23	FY24	FY25	FY26	FY27
Wastewater Treatment Plant & Garage	Age Related Refurbishment			\$162,000			
	WW Eval Bond			\$3,570	\$3,570	\$3,570	\$3,570
Pump Stations	Improvements			\$124,000			
Sludge Field							
Wheezy Way Well							
Water Treatment Facility	Age Related Refurbishment		\$87,500				
	Water Meter Bond	\$9,100	\$9,100	\$9,100	\$9,100	\$9,100	\$9,100
	Water System Bond	\$43,041	\$43,041	\$43,041	\$43,041	\$43,041	\$43,041
Totals		\$52,141	\$139,641	\$341,711	\$55,711	\$55,711	\$55,711
Grand Total FY23-27			\$648,485				

J. Utility Department Equipment

Equipment Name	Year	Life Expectancy	Replacement Year	Proposed Capital Budget					Make	Model/Description	
				FY22	FY23	FY24	FY25	FY26			FY27
Portable Generator	2000	25	2025				\$10,000			OLYMPIAN	ENGINE 1795 AND GENERATOR ON TRAILER
Totals							\$10,000				
Grand Total FY23-27							\$10,000				

6. ELIGIBLE PROJECTS

The project candidate list contains those projects, or types of projects, that have been deemed eligible for inclusion in the Capital Budget & Program by the Fairfax Selectboard. A project is considered eligible when the Selectboard determines that the nature of the project is consistent with the purpose and intent of the planned funding source as approved by voters or otherwise required by law. While candidate projects are considered eligible for inclusion into the Fairfax Capital Budget & Program, there may be insufficient program funding which may require the use of other funding sources and/or increases in fees intended to fund capital projects. Other funding sources can include intergovernmental revenues, grants, donations, and publicly approved transfers from the Town’s Budget.

Eligible Projects

Projects	Intended Funding Source
All equipment purchases contained on the Capital Budget & Program list as approved by the Selectboard. All capital repairs and improvements to Town owned buildings.	Not yet identified.
All capital improvements to the Town’s transportation system.	Not yet identified.
All capital replacement and improvements to the Town’s parks and trails.	Not yet identified.
Building and facility energy efficiency projects, including lighting and heating replacements, HVAC replacements, and others	Not yet identified.
All improvements to municipal facilities not otherwise herein listed.	Not yet identified.

7. ADOPTION.


The foregoing Capital Budget & Program is hereby adopted by the Selectboard of the Town of Fairfax, Vermont, this 21st day of March, 2022 and is effective as of this date until amended or repealed.



 Steve Cormier, Chair



 Alan Maynard, Vice Chair



 Randy DeVine



 Stephen Bessette



 Duane Leach