



GEORGIA

VERMONT

CAPITAL PROGRAM AND BUDGET 2025-2030

Town of Georgia, Vermont

DRAFT

December 22, 2024

INTRODUCTION

The Town of Georgia currently charges impact fees on new development to support Administration, Fire & Rescue, Highway, Parks/Recreation and Library. This methodology, commonly called the “buy in” method of calculating impact fees, was originally adopted by the town based upon two reports compiled by Economic and Financial Consulting Associates, Inc. (EFCA): “Capital Program and Budget: Town of Georgia, 1995 through 2000,” and “Technical Memorandum: Methods Used to Develop Impact Fees.” The two original EFCA reports were not available for review, thus, this report relies on the methodology used in the 2013 report. All impact fee calculations are based upon the methodology used in the 2013 report.

The Town’s impact fees are set and outlined in an Impact Fee Ordinance, most recently updated in 2013. This report summarizes adjustments to the Administration, Fire & Rescue, Highway, Parks/Recreation and Library d Fire Impact Fees based on an assessment of levels of service, projected growth, and existing and planned capital resources.

Vermont municipalities are permitted to levy impact fees on new development, as outlined in 24 V.S.A. Chapter 131. The intent of the statute allowing impact fees is “to enable municipalities to require the beneficiaries of new development to pay their proportionate share of the cost of municipal and school capital projects that benefit them and to require them to pay for or mitigate the negative effects of construction.” Two important definitions included within the statute are:

- “Capital project” means:
 - A. any physical betterment or improvement including furnishings, machinery, apparatus, or equipment for such physical betterment or improvement;
 - B. any preliminary studies and surveys relating to any physical betterment or improvement;
 - C. land or rights in land; or
 - D. any combination of these.
- “Impact fee” means a fee levied as a condition of issuance of a zoning or subdivision permit that will be used to cover any portion of the costs of an existing or planned capital project that will benefit or is attributable to the users of the development or to compensate the municipality for any expenses it incurs because of construction. The fee may be levied for recoupment of costs for previously expended capital outlay for a capital project that will benefit the users of the development.

Explicit Statutory Requirements

The statute clearly indicates specific requirements related to the implementation of impact fees that a municipality must meet:

1. The municipality must be “confirmed” as defined by 24 V.S.A. § 4350, meaning it must have a continuing planning process, an approved and adopted municipal plan, and be engaged in the implementation of its municipal plan.
2. The municipality must have an adopted Capital Budget and Program.
3. The municipality must develop a “reasonable formula” to assess the impact fee, and the formula must include a level of service for the capital project as well as means of assessment (such as square footage or number of bedrooms).
4. The municipality must establish the formula and procedure for levying the impact fee via an adopted ordinance or bylaw.

5. If the actual expense of the capital project is less than the fee collected from the developer, the municipality must refund the unexpended portion of the fee within one year of the termination of construction of the project.
6. The municipality must provide an annual accounting for each impact fee, including the source, amount, and project funded.
7. The municipality must spend the fee on the capital project, for which the fee was intended, within six years of when the fee was paid.

Level of Service Standards

Vermont's impact fee statute clearly indicates the formula for an impact fee "must include a level of service for the capital project as well as means of assessment." Vermont communities use different methods of identifying, calculating, and applying the level of service standards depending on the situation. Sometimes an "industry standard" from a professional organization or association is used as a starting point. In other cases, a locally adopted standard from a Town Plan or similar municipal planning document is used. In other cases, communities calculate their own level of service standard during the impact fee development process based on existing infrastructure. Once a level of service standard is identified, the way it is used also varies from community to community. Some communities apply the chosen standard to projected population growth to identify future facility needs (and associated project funding needs). Another approach is for communities to compare the chosen level of service standard to their current facilities/equipment to determine whether additional facilities will be needed to bring the community (inclusive of new development) within the accepted level of service range.

Eligible Capital Costs

The intent of impact fees is to lessen the burden on existing property owners created by growth within the community and the associated demands on municipal infrastructure and facilities. To accomplish this, an impact fee can be assessed to cover the proportionate share of project costs that can be attributed to new development. The statute also clearly indicates an impact fee may be levied for recoupment of previous costs for a capital project that will benefit the users of the new development. The Town of Georgia maintains a Capital Budget, the most recent version of which covers the FY25-FY30 period. The Capital Budget provides a detailed list of planned capital projects, their costs, and potential funding sources. Additionally, the Town creates many other plans and reports that include specific projects and goals for the community, including the Town Plan, transportation studies, and development assessments. Together, these documents provide information about the Town's planned capital projects and goals which can be used in the development of impact fees. A review of Georgia's Administration, Fire, Highway, Parks and Recreation, and Library Impact Fees including consideration of an appropriate level of service for each and eligible capital costs. Specific metrics used throughout the analysis of each fee are:

- 2023 Georgia Population: 4,876 (2023 American Community Survey)
- 2030 Projected Georgia Population: 5,055 (Town of Georgia, 2024 Town Plan)
- Residents per Single-Unit: 2.88 (2023 American Community Survey)
- Residents per multi-unit: 2.16 (75% of the Single-Unit)

Administration Department

The Administrative Department for the purposes of the capital plan and budget includes the functions of town administrator, clerk, treasurer, assessor, zoning, and planning. The assets included in this group, principally the Town Offices, also support the functions of the Select board and other general town activities. Town personnel now include Town Administrator, Town Clerk, Town Treasurer, Assistant Town Clerk, Zoning Administrator, and part-time Planning Coordinator.

The Administration department has a current value of buildings, land and equipment of \$1,985,175 up from \$1,921,004 in 2019. The current balance in reserve funds is \$8,602.89.

Fire Department and First Response

The Fire Department and First Response is a paid-on-call force of approximately 30 members and is a member of the Franklin County Intermunicipal Mutual Aid Agreement. Dispatch services are handled by a central dispatch in neighboring St. Albans. In 2011 the town issued bonds combined with donations for the construction of a new fire station and emergency response station.

The current value for the fire department is \$4,559,700, an increase from \$3,506,374 in 2019. The current balance in the Fire and Rescue Reserve Fund is \$41,461.98.

Highway Department

The Highway Department is responsible for town highways and bridges, has five full-time employees. In 2021 the town issued bonds for the construction of a new Public Works building. The Highway Department utilizes the new building as their primary facility, while utilizing the old Highway garage for storage of machinery and equipment. A salt and sand shed was constructed (2011) across the street from the highway garage.

The current value is \$4,582,471 for the Highway Department an increase from \$ 1,172,972 in 2019. The current balance in the Highway Reserve Fund is \$165,618.

Library Department

The Georgia Public Library is available to town residents and is primarily supported through the town annual budget. It is housed in a building that formerly served as the Northwest Regional Library for the State. The library employs one full-time staff, two part-time staff members and is supported by volunteers.

The current value is \$1,777,905 for the Library Department, a change from \$165,968 in 2019. None of the Library's assets are financed currently. Reserve funds are \$15,303.

Parks and Recreation Department

The Parks and Recreation Department is responsible for the operation of the Town Beach.

The current value is \$648,948 for the Parks and Recreation Department, a change from \$65,389 in 2019. None of the Parks and Recreation's assets are financed currently. Reserve funds are \$38,439.

School Department

No changes are made currently to the descriptions of School Department capacity, costs, and values of property from the earlier Capital Programs and Budgets. A capital plan for the years 2025 through 2030 is presented later in the report.

Six-YEAR CAPITAL EXPENDITURE PLAN 2025-2030

The plan is presented to the Town Select Board for review, comment, and approval.

All planned capital expenditures are designed to maintain existing standards as established by the elected officials for town delivery of services to residents and property owners.

Table 1: Summary of Proposed Capital Expenditures for 2025-2030

| Dept | Year | Item | Purchase Total | Salvage | Project Total | Impact Fees | Reserve Funds | Grant | Finance | Taxes |
|---------|------|--|-------------------|---------|------------------|----------------|------------------|-------|---------|-------|
| Admin | 2025 | Stand up Desks | \$ 5,000 | | \$ 5,000 | x | | x | | |
| Admin | 2026 | Expand Vault downstairs | 39,900 | | 39,900 | x | | | | |
| Admin | 2029 | Replace Conference Room carpet and TA carpet | 5,000 | | 5,000 | x | x | | | |
| Fire | 2025 | Mobile radios (7) | 17,500 | | 17,500 | | | x | | |
| Fire | 2025 | Portable radios (30) | 60,000 | | 60,000 | | | x | | |
| Fire | 2025 | Positive Pressure Fan | 10,000 | | 10,000 | x | | | | |
| Fire | 2025 | Lifting Bags | 20,000 | | 20,000 | x | | | | |
| Fire | 2025 | Turnout Gear (3 sets per year) | 15,000 | | 15,000 | | | | | x |
| Fire | 2026 | Base Station Radios | 7,000 | | 7,000 | x | | | | |
| Fire | 2026 | Turnout Gear (3 sets per year) | 15,000 | | 15,000 | | | | | x |
| Fire | 2027 | Rescue Jacks | 25,000 | | 25,000 | x | | | | |
| Fire | 2027 | Turnout Gear (3 sets per year) | 15,000 | | 15,000 | | | | | x |
| Fire | 2028 | Extrication Tools (Ram, Cutter, Spreader) | 60,000 | | 60,000 | x | | | | |
| Fire | 2028 | Turnout Gear (3 sets per year) | 15,000 | | 15,000 | | | | | x |
| Fire | 2029 | Ladder 1 | 1,600,000 | | 1,600,000 | | x | | x | |
| Fire | 2029 | Turnout Gear (3 sets per year) | 15,000 | | 15,000 | | | | | x |
| Fire | 2030 | Turnout Gear (3 sets per year) | 15,000 | | 15,000 | | | | | x |
| Highway | 2025 | 3 point hitch Generator used | 9,000 | | 9,000 | x | | | | |
| Highway | 2025 | Electrical for Generator | 18,000 | | 18,000 | | | | | x |
| Highway | 2025 | New Floor scrubber Highway & Fire station | 6,000 | | 6,000 | | | | | x |

| <u>Dept</u> | <u>Year</u> | <u>Item</u> | <u>Purchase Total</u> | <u>Salvage</u> | <u>Project Total</u> | <u>Impact Fees</u> | <u>Reserve Funds</u> | <u>Grant</u> | <u>Finance</u> | <u>Taxes</u> |
|-------------|-------------|--|---------------------------|-----------------|--------------------------|------------------------|--------------------------|--------------|----------------|--------------|
| Highway | 2026 | New Pressure washer - hot water | 6,000 | 200 | 5,800 | x | | | | x |
| Highway | 2027 | New Tractor w/ enclosed cab | 100,000 | 5,000 | 95,000 | | x | | x | x |
| Highway | 2027 | New Backhoe | 188,000 | 35,000 | 153,000 | | x | | x | x |
| Highway | 2028 | New Tandem Plow Truck/replace 2017 | 310,000 | 30,000 | 280,000 | | x | | x | x |
| Highway | 2030 | New Single Axle Plow Truck/ replace 2013 | 300,000 | 10,000 | 290,000 | | x | | x | x |
| Highway | 2030 | New Z turn | 12,000 | 1,000 | 11,000 | x | | | | |
| Rec | 2025 | Court resurfacing* | 25,000 | | 25,000 | x | x | | | x |
| Rec | 2025 | New Dock* | 40,000 | | 40,000 | x | x | | | x |
| Rec | 2025 | New Gate | 7,750 | | 7,750 | x | x | | | x |
| Rec | 2026 | New Z turn/ replace 2017 Ferris | 10,500 | 1,000 | 9,500 | x | x | | | x |
| Library | 2025 | Drop box with cart (drive up) | 6,200 | | 6,200 | x | x | | | x |
| Library | 2025 | Study for building improvements | 50,000 | | 50,000 | x | x | | | x |
| Library | 2026 | Circulation/information desks | 8,000 | | 8,000 | x | x | | | x |
| Library | 2026 | Paint interior | 9,000 | | 9,000 | x | x | | | x |
| Library | 2027 | (8) End of Range displays | 6,500 | | 6,500 | x | x | | | x |
| | | Town Total | \$3,045,450 | \$82,200 | \$2,963,150 | | | | | |

Items with an * will also utilize funding from the project fund.

A five-year capital expenditure plan was requested from, and provided by, the Georgia Town School District. The plan is presented below.

Table 2: Georgia School Department Capital Spending Plan

| <u>Item</u> | <u>FY 25</u> | <u>FY 26</u> | <u>FY 27</u> | <u>FY 28</u> | <u>FY 29</u> | <u>FY 30</u> |
|--------------------------|------------------|-------------------|------------------|-------------------|-------------------|------------------|
| Security Alarm | \$ 10,000 | | | | | |
| Replace Front Steps | 25,000 | | | | | |
| Stormwater updgrade | 50,000 | | | | | |
| C Elevator Phase 2 | | \$ 200,000 | | | | |
| Tile "C" 2nd Floor | | | \$ 40,000 | | | |
| ERU design | | | 18,000 | | | |
| ERU replacement | | | | \$ 200,000 | | |
| Tile Lower "B" | | | | | \$ 18,000 | |
| B Bldg. ERU Replacement | | | | | 200,000 | |
| Window replacement A & B | | | | | | \$ 100,000 |
| Total | \$ 85,000 | \$ 200,000 | \$ 58,000 | \$ 200,000 | \$ 218,000 | \$100,000 |

Financing Scenarios, 2019-2024

The five-year Capital Expenditure Plan will be funded through several sources including impact fees, reserve funds, bonding, salvage value of disposed equipment and current year taxes. The Town of Georgia has been charging impact fees for all new residential units after the adoption of the 1995 Capital Program and Budget. The methodology was described in that 1995 report and has been continued through the subsequent Capital Budgets and, in turn, continues to be used in this report. Funds available from impact fees will vary according to actual building permits in any given year.

Table 3: Annual Debt Service Summary

| | <u>2025</u> | <u>2026</u> | <u>2027</u> | <u>2028</u> | <u>2029</u> | <u>2030</u> |
|-----------------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|
| Existing Debt Service | \$ 462,871 | \$ 404,309 | \$ 396,135 | \$ 305,649 | \$ 297,433 | \$ 289,277 |
| Bridge Bond | 30,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| Proposed Debt Service | | | 30,000 | 58,000 | 187,000 | 215,000 |
| Total | \$ 492,871 | \$ 484,309 | \$ 506,135 | \$ 443,649 | \$ 64,433 | \$ 584,277 |

Table 4: By Year and Department 2025-2030

| <u>Year</u> | <u>Dept</u> | <u>Item</u> | <u>Purchase Total</u> | <u>Salvage</u> | <u>Project Total</u> | <u>Impact Fees</u> | <u>Reserve Funds</u> | <u>Grant</u> | <u>Finance</u> | <u>Taxes</u> |
|-------------|-------------|---|---------------------------|----------------|--------------------------|------------------------|--------------------------|--------------|----------------|--------------|
| 2025 | Admin | Stand up Desks | 5,000 | | 5,000 | x | | x | | |
| 2025 | Fire | Mobile radios (7) | 17,500 | | 17,500 | | | x | | |
| 2025 | Fire | Portable radios (30) | 60,000 | | 60,000 | | | x | | |
| 2025 | Fire | Positive Pressure Fan | 10,000 | | 10,000 | x | | | | |
| 2025 | Fire | Lifting Bags | 20,000 | | 20,000 | x | | | | |
| 2025 | Fire | Turnout Gear (3 sets per year) | 15,000 | | 15,000 | | | | | x |
| 2025 | Highway | 3 point hitch Generator used | 9,000 | | 9,000 | x | | | | |
| 2025 | Highway | Electrical for Generator | 18,000 | | 18,000 | | | | | x |
| 2025 | Rec | Court resurfacing* | 25,000 | | 25,000 | x | x | | | x |
| 2025 | Rec | New Dock* | 40,000 | | 40,000 | x | x | | | x |
| 2025 | Rec | New Gate | 7,750 | | 7,750 | x | x | | | x |
| 2025 | Library | Drop box with cart (drive up) | 6,200 | | 6,200 | x | x | | | x |
| 2025 | Library | Study for building improvements | 50,000 | | 50,000 | x | x | | | x |
| | | Total 2025 | 283,450 | | 283,450 | | | | | |
| 2026 | Admin | Expand Vault downstairs | \$39,900 | | \$39,900 | x | | | | |
| 2026 | Fire | Base Station Radios | 7,000 | | 7,000 | x | | | | |
| 2026 | Fire | Turnout Gear (3 sets per year) | 15,000 | | 15,000 | | | | | x |
| 2026 | Highway | New Pressure washer - hot water | 6,000 | 200 | 5,800 | x | | | | x |
| 2026 | Rec | New Z turn/ replace 2017 Ferris | 10,500 | 1,000 | 9,500 | x | x | | | x |
| 2026 | Library | Circulation/information desks | 8,000 | | 8,000 | x | x | | | x |
| 2026 | Library | Paint interior | 9,000 | | 9,000 | x | x | | | x |
| | | Total 2026 | 95,400 | 1,200 | 94,200 | | | | | |
| 2027 | Fire | Rescue Jacks | 25,000 | | 25,000 | x | | | | |
| 2027 | Fire | Turnout Gear (3 sets per year) | 15,000 | | 15,000 | | | | | x |
| 2027 | Highway | New Tractor w/ enclosed cab | 100,000 | 5,000 | 95,000 | | x | | x | x |
| 2027 | Highway | New Backhoe | 188,000 | 35,000 | 153,000 | | x | | x | x |
| 2027 | Library | (8) End of Range displays | 6,500 | | 6,500 | x | x | | | x |
| | | Total 2027 | 334,500 | 40,000 | 294,500 | | | | | |
| 2028 | Fire | Extrication Tools (Ram, Cutter, Spreader) | 60,000 | | 60,000 | x | | | | |
| 2028 | Fire | Turnout Gear (3 sets per year) | 15,000 | | 15,000 | | | | | x |

| | | | | | | | | | | |
|------|---------|--|------------------|---------------|------------------|---|---|--|---|---|
| 2028 | Highway | New Tandem Plow Truck/replace 2017 | 310,000 | 30,000 | 280,000 | | x | | x | x |
| | | Total 2028 | 385,000 | 30,000 | 355,000 | | | | | |
| 2029 | Admin | Replace Conference Room carpet and TA carpet | 5,000 | | 5,000 | x | x | | | |
| 2029 | Fire | Ladder 1 | 1,600,000 | | 1,600,000 | | x | | x | |
| 2029 | Fire | Turnout Gear (3 sets per year) | 15,000 | | 15,000 | | | | | x |
| | | Total 2029 | 1,620,000 | - | 1,620,000 | | | | | |
| 2030 | Fire | Turnout Gear (3 sets per year) | 15,000 | | 15,000 | | | | | x |
| 2030 | Highway | New Single Axle Plow Truck/ replace 2013 | 300,000 | 10,000 | 290,000 | | x | | x | x |
| 2030 | Highway | New Z turn | 12,000 | 1,000 | 11,000 | x | | | | |
| | | Total 2030 | 327,000 | 11,000 | 316,000 | | | | | |
| | | TOTAL | 3,045,350 | 82,200 | 2,963,150 | | | | | |

Impact Fee Calculations by Department

As described in the 2013 Capital Program and Budget, which, in turn, referred to the earlier impact fee reports, the impact fees for the five departments, now five departments – Administration, Fire & Rescue, Highway, Library, Parks & Recreation – are all “buy in fees.” This methodology is sometimes described as analogous to the price to purchase a share of stock in a corporation and is also called the “equity neutral buy-in fee.” As with stock in a corporation, each share represents ownership of a portion of the Town’s capital stock equal in value to every other share. Calculations of impact fees, based upon determination of the value of the Town of Georgia’s capital assets in the year 2024, are provided in Table 6 for each of the departments. As stated in the introduction for the purpose of this report we have followed the buy-in methodology as used in the 2013 and prior reports.

Table 5: Impact Fee Calculations by Department

| | | Admin | Fire | Highway | Rec | Library | Total Town |
|---|--------------------------|--------------|---------------|---------------|------------|---------------------|---------------|
| 1 | Current Value | \$ 1,985,175 | \$ 4,559,700 | \$ 4,582,471 | \$ 648,948 | \$ 1,777,905 | \$ 13,554,199 |
| 2 | Reserve Funds | \$ 8,741 | \$ 139,476 | \$ 135,199 | \$ 38,439 | \$ 15,303 | \$ 337,158 |
| | Total Equity | \$ 1,993,916 | \$ 4,699,176 | \$ 4,717,670 | \$ 687,387 | \$ 1,793,208 | \$ 13,891,357 |
| 3 | FTPE | 4,845 | 4,845 | 4,845 | 4,845 | 4,845 | 4,845 |
| 4 | Equity per Capita | \$ 411.54 | \$ 969.90 | \$ 973.72 | \$ 141.88 | \$ 370.12 | \$ 2,867.15 |
| | Per Person DU | 2.88 | 2.88 | 2.88 | 2.88 | 2.88 | 2.88 |
| | Impact Fee per Dwelling | \$ 1,185.24 | \$ 2,793.32 | \$ 2,804.31 | \$ 408.60 | \$ 1,065.93 | \$ 8,257.40 |
| 5 | Average Annual Debt | \$ - | \$ 142,619.52 | \$ 150,000.00 | \$ - | \$ - | \$ 292,619.52 |
| 6 | 6 year Debt per Capita | \$ - | \$ 29.44 | \$ 30.96 | \$ - | \$ - | \$ 60.40 |
| | Debt Credit per DU | \$ - | \$ 84.78 | \$ 89.16 | \$ - | \$ - | \$ 173.94 |
| | Max Allowed Impact Fee | \$ 1,185.24 | \$ 2,708.54 | \$ 2,715.15 | \$ 408.60 | \$ 1,065.93 | \$ 8,083.46 |
| 7 | Proposed 2025 75% School | \$ 602.00 | \$ 1,377.00 | \$ 1,381.00 | \$ 208.00 | \$ 544.00 | \$ 4,109.00 |
| | | | | | | | \$ 1,100.00 |
| | | | | | | Total School & Town | \$ 5,209.00 |

¹ Current Value from Town Financial Records

² Reserve Funds as of 12/31/2023

³ FTPE is full year population plus estimated seasonal population

⁴ Equity per capita is total equity divided by FTPE

⁵ Average annual debt for 2019-2024

⁶ 6-year debt is total debt 2019-2024 divided by FTPE

⁷ Draft Impact Fee using Department Distribution as in Current