

# Introduction to the Middlesex CIP - Q&A

## Why is a Capital Improvement Program helpful?

The Town of Middlesex owns and maintains a variety of facilities, vehicles, and equipment. There is a town hall, a town shed, a volunteer fire station, a band stand, a secondary fire station on Shady Rill Road, other outbuildings, and a number of parcels of land including the town forest, Shady Rill picnic area, and the gravel pit. There are a little over 6 miles of paved town road and roughly 42 miles of gravel Class 2 and Class 3 road. Maintenance of the town highways and operating a volunteer fire department requires an assortment of heavy vehicles and specialized equipment.

Replacing or restoring any of the town facilities or a piece of highway or rescue equipment is a substantial cost. The purpose of the capital improvement program is to develop a financial plan to spread these costs out over time and avoid major swings in the municipal tax rate. The CIP helps explain why and when large municipal capital expenses are needed and how to request an item be considered for future municipal funding.

## Is the CIP a budget?

The CIP is not a comprehensive budget. It does not include recurring costs such as maintenance, fuels, or salaries, even if these items represent a large portion of the annual budget. Rather, the CIP focuses on large sporadic maintenance projects like replacing a roof or other large improvements to a town facility, purchasing new equipment or vehicles, undertaking preliminary studies and surveys relating to improvements, acquiring land or land rights, replacing or reconstructing a culvert or bridge, or repaving a section of roadway. As a threshold, a capital improvement must be anticipated to cost more than \$5,000.

Furthermore, the town budget only covers a given year, the CIP has a time horizon of ten years or longer.

## What is included in capital improvement planning?

The CIP comprises two parts: (1) the CIP Planning Process, and (2) the CIP itself.

The Process assigns responsibility to the Middlesex Budget Committee for the maintenance of the CIP, ensuring consistent year-over-year planning, while providing transparency to department heads, town commissions, committees, and citizens on how and when projects are added to the CIP and what steps need to be taken to introduce a new project for consideration.

The CIP includes a list of capital projects by department proposed to be undertaken during each of the following ten years, the estimated cost of each of these projects, and the estimated replacement schedule.

### Who is responsible for the CIP?

The Budget committee will annually review, update and adopt a ten-year CIP to be presented to the Selectboard for consideration. The Selectboard is responsible for including a capital budget item in the annual Town Budget for consideration by voters at Town Meeting. The CIP Process and Plan are living documents and can both be modified to better serve the needs of the Town as they arise.