Capital Planning

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Planning for Today and Tomorrow

Capital planning helps towns prepare for the future. It's a way to make important decisions about big projects - like fixing roads, building a new highway garage, or replacing water pipes - before problems happen. Taxpayers often ask, "Why plan so far ahead?" The answer is simple: planning saves money, reduces costly surprises, and helps the town prepare for emergencies – from sudden repairs to natural disasters. A capital plan makes sure tax dollars are used wisely, and the town doesn't promise more than it can afford.

What Is Capital Planning?

A capital plan is a long-term guide for big investments like buildings, roads, equipment, and land. It helps towns know what they own, what needs fixing, and what they'll need in the future. Capital projects take time and money. Planning helps make sure they're done right.

What Capital Planning Does for Taxpayers

- **Saves Money Over Time:** Planning helps towns buy and repair things at the right time, avoid emergency repairs, and get better interest rates when borrowing.
- **Protects What You've Paid For:** Roads, buildings, and equipment don't last forever. Capital planning makes sure they're repaired or replaced before they fail.
- **Plans for Asset Life:** Planning helps towns avoid surprise costs. Using yearly wear and tear, towns can decide when to repair or replace and save money by

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looking at the full cost over time.

- **Keeps Taxes Stable:** By planning ahead, towns can spread costs over time and avoid sudden tax increases.
- **Finds More Funding:** With a plan in place, towns can apply for grants to help pay for projects - less money needed from local taxes.
- **Sets Priorities:** Not every project can happen at once. Planning helps decide which projects matter most to the community.
- **Avoids Costly Mistakes:** Planning helps towns avoid last-minute decisions and budget problems. Without a plan, projects may cost more or miss long-term needs.
- **Gives Residents a Voice:** The capital planning process gives you a chance to weigh in. Should the town focus on plow trucks or wastewater upgrades? The plan opens that conversation.
- **Improves Transparency:** Residents can see what's coming, give input, and prepare for things like road closures or construction noise.
- **Builds Trust:** A clear plan shows that the town is thinking ahead and using money responsibly.

How It Works

- Towns take stock of what they already own – buildings, roads, vehicles, equipment, utilities, land, and other assets – and its condition.
- They look 5 to 20 years ahead to decide what needs to be built or fixed.
- They figure out whether the project needs to be done in stages or all at once so major steps like design, permits, and construction can be included in the project cost.
- They figure out how to pay for each project or step. Should the town use cash from the town budget, previous savings, grants, special taxes, or borrowing?

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- Plans can change if needs or costs change. Flexibility is built in because the legislative body (Selectboard, City Council, etc.) looks at the capital plan every year when they prepare a budget.

Planning Pays Off

Capital planning is like using a map - it helps the town avoid wrong turns, save money, and reach its goals. It's not just about buildings and roads; it's about making sure the community stays strong, safe, and equipped for tomorrow. Planning doesn't mean spending more money. It means spending money wisely. Without a plan, the town risks wasting money, missing out on grants, and falling behind on basic services. With a good plan, the town stays resilient, stable, and ready for whatever comes next.

VLCT has a robust list of resources to help with capital planning. Whether your municipality is just thinking about it or is ready to take it to the next level, we are here to help. And as always, if you need a human to help you navigate, don't hesitate to ask us! Email the Municipal Operations Support Team: mos@vlct.org.

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