

Town of Underhill Budget Guide FY2024

Use this guide to follow along with the Underhill FY2024 proposed Budget.

Revenue:

- Line 1-5 Property Tax Revenue – That which must be raised in taxes to cover expenses. Offset by loans, use of surplus, use of reserve or other funds.
- Line 7 Local Agreement adjusted to 85,000 for more accurate representation. FY2023 actual was \$82,533. This has no net effect on the budget as it is also represented as an expense in line 181. Only lines 2 & 3 are what is voted on and are on the warning.
- Line 16 Fewer permits now that interest rates have increased
- Line 20 Fewer licenses and permits with downturn in economy
- Line 22 Increased to reflect actual received in last 2 fiscal years.
- Line 25 Better Back Roads 60K Grant Expected. If grant does not come in, expenses will decrease accordingly. Expenses are included in Lines 229,230,257 & 276.
- Line 26 We will still receive \$13.9K but it will go into reserve so not income. Only income in year we intend to use it.
- Line 33 Copies and recording fees are down due to economic factors.
- Line 42 Loans will be on the ballot as separate questions. The taxpayers have to vote to incur debt under most circumstances. Excavator and trailer are on ballot this year and if approved, we will receive loans for these capital purchases. There would be no cost to taxpayers in FY24, the loan repayments begin in FY24. See line 271.
- Line 50 Other Revenue is down considerably ~ 100% this is why Lines 1-5 are up.
- Line 52 Other Sources/surplus income is zero this year, another reason 1-5 are higher

General Fund Expenses:

All salaries and rates for full-time and regular part-time employees represent an 8.7% cost of living adjustment. The town is matching the [SSA COLA](#) increase for employees.

- Line 58 HRA payments are expected higher because new medical insurance has higher deductible. Switched from MVP to BCBS and went to higher deductible to save expense of town and still pay 100% of medical insurance for qualified employees.
- Line 63 A recruiting service was hired in FY23 for Road Commissioner Search. Only pay if hire
- Line 64 All insurance – General and Highway has been moved here – PACIF

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- Line 102 Amanda Bosley was promoted to Town Assessor in FY23 after budget was approved. VT Appraisal Company contract was not renewed. Net savings to town
- Line 106 The contract for appraiser with VT Appraisal Company was cancelled in FY23 when Amanda was promoted. Also the reappraisal was conducted in FY22
- Line 111 Mowing all parks and town properties except sidewalk and cemetery in other line
- Line 114 Insurance moved to Line 64
- Line 117 New web site goes live March 2023 (4500/year) Tech services 1040/month
- Line 127 After townwide reappraisal, Town pays property tax on post office @ \$2386
- Line 143 Possible Contract for Animal Control or adjustment in current structure
- Line 145 Built in 10 hours/week at \$65.00/hour. This is a 4-hour increase over FY23 and an increase in the hourly rate as well.
- Line 146 This represents \$1500 for the software on the movable sign we already own and the purchase of two fixed radar seed signs to be placed strategically in town.
- Line 149 Essex Rescue costs increased in FY23 and this year FY24 after remaining exceptionally low for many years. The town is assessed this amount. See article from [The Essex Reporter](#)
- Line 150 UJFD used reserve funds in FY23 and similar to us, they need to raise more revenue from assessing Underhill taxpayers.
- Line 164 40K in ARPA funds were utilized in FY23 for the Town Pond renovations
- Line 171 Mapping includes the 12K for year two of the NRI mapping and also an upgrade for the imagery over Underhill.
- Line 181 Same as line 7
- Line 193 Tax based on grand list. Funds go to pay share of sheriff's office and courthouse costs.
- Line 214 CCRPC Sidewalk study town cost not to exceed \$16K. Total Cost of study represents 80K

Highway Fund Expenses:

- Line 220 Highway salaries represents cost of living increases for current This year 4 full-time plus Commissioner in budget. FY23 was budgeted for 3 full-time, 1 seasonal without benefits, and Commissioner. Commissioner position remains open.
- Line 227 5 Days of tree and brush work contracted out 7500/day

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- Line 228 7 culverts at 700/culvert
- Line 229 Includes specific projects English Settlement, BBR grant work, concrete tests
- Line 230 Aprons 4K, Stump grinding 8K, ledge removal 3k, flaggers 25K
- Line 240 All insurance moved to Line 64
- Line 249 Costs have increased. Inflation/economic factors
- Line 250 Based on best guesses and some research 4.25/gallon
- Line 253 Mud season dependent somewhat, cost increases. Current year at 70K
- Line 254 Cost increased from .89 to 1.09 and likely going up
- Line 255 Up 3.00/ton
- Line 256 Cost of sand up from 9.50 to 12.50/ton and increasing
- Line 257 Increasing costs and some built in for BBR grant (9K)
- Line 261 Sidewalk mowing 3600/ plowing 7827
- Line 266 Cracked sealing contract
- Line 271 This will increase in FY25 if voters approve Excavator and trailer purchase.
Represents current year payments on notes This year includes the 350K paving loan from FY23.

Loan Payments

	Rate	Term	Principal	Interest	Total
350K Paving Note	3.45	1 year	\$350,000.00	\$6,575.05	
192K Equipment Note	4.75	5 years	\$34,921.33	\$9,120.00	
180K Equipment Note	1.59	5 years	\$35,427.89	\$2,307.51	
70K Equipment Note	1.58	5 years	\$13,996.59	\$673.92	
306K Cap Improve Note	2.04	5 years	\$61,174.61	\$3,820.38	
Total for FY24			\$495,520.42	\$15,921.81	\$511,442.23

- Line 274 This is the line that would be used for purchase of the excavator and trailer if approved.
- Line 276 \$100K is for culvert repair on N. Underhill Station Rd. and \$25K is for Culvert and cement headwall on English Settlement. If Better Back Rd. grant does not come in, the 25K will not be spent.

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How does this affect the municipal tax rate on your property tax bill:

	2023	2024	Change	% Change
Muni rate (GL EST)	.4504	.5156	.0651	14.45
Town Contract	.0204	.0156	-.0048	-23.5%
Muni Rate w/ TC	.4708	.5312	.0604	12.83%

The tax rate is based on the Grand list. We had projected 5,000,000 in 2023 and it came in at 5,442,978. That was the year of reappraisal and it wasn't complete at the time.

For FY24 estimate at 5,450,000 for the Grand list but town contract number has decreased by 17,000 so when we look at the town contract see a decrease of 23.5%

Keep in mind that typically the municipal portion of the property tax bill is about 25% so 13% increase will only be 3.25% increase on the actual tax bill IF the school rate is the same as last year. Again, we do not control the education tax rate we are simply the pass-through entity. Taxpayers send check to Town and Town sends check to school.

Please don't hesitate to reach out to me or other [staff members](#) or [Selectboard](#) members for clarification or explanations.

We strive to run the Town of Underhill in a way that we can meet the obligations of the town, keep our roads and community members safe, provide valuable and useful services and make Underhill a town and community that we can all be proud of.

Jennifer Silpe-Katz
Finance Officer
jsilpe-katz@underhillvt.gov
802-899-4434 ext. 2