

# Town of Underhill Budget Guide FY2025

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, grants or other funds.
- Line 7 Local Agreement adjusted again down to 82,000 for more accurate representation. FY2024 actual was 81,421 and 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 Bumped this up from \$20,000 to \$24,000 because FY23 actual was \$24,500.
- Line 22 Increased to reflect actual received in last 2 fiscal years. Note: on Warning (**Article 8**) if this passes, \$100,000 of this money will be moved from “revenue” to “reserve” serving to increase our unassigned fund balance and helping to provide contingency funds for infrastructure planning and emergencies.
- Line 26 We will still receive \$13.9K but it will go into reserve so it is not income. Only income in year we intend to use it.
- Line 28 The increase in income for highway miscellaneous in FY24 is due to the sale of the equipment trailer and in FY23 was due to the sale of the old F350.
- Line 35 Our interest income has been higher due to the interest we are receiving for the ARPA funds in our accounts.
- Line 39 For reference: In March 2023 vote on the floor at Town meeting to increase Selectboard Stipends to \$5,000/each and to increase Highway Budget by \$100,000 to transfer \$100,000 into the Highway Contingency Reserve Fund. This \$100,000 increases our unassigned fund balance, decreasing the “deficit” from FY23 mentioned in Line 114.
- Line 42 Loans will be on the ballot as separate questions. The taxpayers have to vote to incur debt under most circumstances. There is a new truck purchase on the warning (**Article 7**), however there would be no cost to taxpayers in FY25, the loan repayments would begin in FY26. See Long-Term Liabilities Report and Balance Sheet to understand our debt balances.
- Line 43 We anticipate using \$30,000 plus ARPA funds that have been committed to make necessary updates to Underhill Town Hall. RFP’s will be going out soon to confirm the total costs of project. ARPA funds of \$100,000 have been committed for this.
- Line 50 Other Revenue is down to virtually zero. This is why more of our expenses must be paid for out of tax revenue. We do not want to increase our debt and are in a reserve fund building stage.
- Line 52 Other Sources/surplus income is zero this year, another reason 1-5 are higher

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## General Fund Expenses:

All salaries and rates for full-time and regular part-time employees represent an 3.4% cost of living adjustment. The town is matching the [SSA COLA](#) increase for employees. Additionally, other adjustments to salaries and benefits are made based on market comparisons and analysis and other factors.

- Line 57 As proposed and voted at Town Meeting 2023, Selectboard stipends increased from \$1500 per member annually to \$5000 per member annually. This year Article 13 asks the voters if they shall increase the number of Selectboard members to 5. If this vote passes, there will be an additional \$10,000 added to the budget on this line.
- Line 58 HRA payments are expected higher because new medical insurance has higher deductible. BCBS deductible and OOP requirements continue to increase and the Town pays 100% of medical insurance for qualified employees.
- Line 60 The Note Taker position expense is here. We have not budgeted for it in the past; however, you can see the actual expense for it in prior years.
- Line 64 All insurance – General and Highway here – PACIF. Continues to increase.
- Line 111 Added \$10,000 for upgrades to Veterans Park on Park Street.
- Line 114 Deficit Payment here. This is to reflect having to use tax revenue to pay down some of the deficit in our unassigned fund balance from the end of FY23; 6/30/2023. It should be noted that we don't need to make up for all the deficit as funds were voted on in March to put \$100,000 into highway reserve; which increases our unassigned fund balance.
- Line 117 Web site, firewall, text alert system, cloud based email, server management, financial software – keep our records, documents and server safe, searchable & up to date.
- Line 126 The post office now pays the Town of Underhill property taxes. This is offset by the rent we receive. There is also some required maintenance to keep the building up to code.
- Line 146 This represents \$1500 for the software on the movable sign we already own and the purchase of two additional fixed radar seed signs to be placed strategically in town. Two were purchased this year already and we have heard only positive feedback.
- Line 149 Essex Rescue **6.4% increase**; letter received.
- Line 150 UJFD used reserve funds in FY23 and similar to us, they need to raise more revenue from assessing Underhill taxpayers. **11.2% increase**. Additionally, they are on the ballot (**Article 9**) to request that they continue to be exempt from municipal and school taxes for a period of 5 years.
- Line 155 Well monitoring and testing is required by the old land fill. Increase in expenses this year **4.3%**

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- Line 164 Recreation continues to be a thriving committee and major priority to our residents. Food Truck nights, Winter Carnival, Skating Rink and Town Pond improvements and maintenance continue as required. Keep an eye out for a shed/pavilion; some kind of structure at Moore Park. This is not budgeted, because the Moore family intends to build it and donate their time and materials to do so.
- Line 171 2-year Natural Resources Mapping project will be completed this year (FY24) and imagery upgrades not happening this year.
- Line 178 Library **7.5% Increase**.
- Line 181 Same as line 7.
- Line 188 This item has a ballot (**Article 12**) to increase from the \$2000 on the budget to \$2600. MMCTV provides audio, video and transcript for ALL of our meetings.
- Line 192 Mills Riverside Park has a **3% increase** over FY24
- Line 196 Steps to End Violence is asking for an additional \$485 and is on the ballot for this. (**Article 10**).
- Line 201 Farmers Market at Mills is on the ballot (**Article 11**) for their request an additional \$1000 to support them. This doubles the Town's appropriation.
- Line 202 Howard Mental Health has requested an increase in their support from the Town in an amount of \$250 for the year.
- Line 214 CCRPC Sidewalk study town cost not to exceed \$16K. Total Cost of study represents 80K
- Line 215 The Town has committed funds from ARPA along with \$30,000 in reserves to complete the renovations to the Underhill Town Hall.

### Highway Fund Expenses:

- Line 225 Restructuring of Town Highway Department. Running with 3 full-time crew and Highway Supervisor; use of part-time employees to supplement as needed and benefits and taxes are subjective and change based on the status of the employees.
- Line 227 Emerald Ash Borer inventory complete now strategic removal of trees in right-of-way begins.
- Line 229 Bridge 7 Engineering expenses, 15K English Settlement, flagging.
- Line 231 Intend to pay contractor for 50% of the sand hauling in FY25; crew can complete budgeted projects, less wear and tear on our equipment.
- Line 235 Replaced excavator in FY24, but aging grader increases expenses.

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- Line 239 Used dump truck lease ~ \$14,000 to upgrade without purchase for now.
- Line 240 Security system license, Mt. Mansfield Receiver dues for radios.
- Line 241 New line added for security/internet.
- Line 250 16,500 gallons at \$4.00. Last year budgeted 18,000 gallons at \$4.25/gallon.
- Line 253 Mud season dependent somewhat. Actual \$85,000 in FY23.
- Line 254 Cost increased from \$1.11 to \$1.28 and budget 20,000 gallons.
- Line 257 No projects slated for stone but BBR was in FY24.
- Line 264 PVR/Harvey Guardrail, Stevensville by culvert, Casey's Hill culverts.
- Line 265 Painting and sign upgrades. Note painting for new pavement NOT in this line as it is included in paving bid costs.
- Line 271 This will increase in FY26 if voters approve truck purchase in FY25 (**Article 7**).

### Current Loan Payments

	Rate	Term	Principal	Interest	Total
331K Equipment Note	4.49	5 years	\$60,498.79	\$14,880.92	
192K Equipment Note	4.75	5 years	\$36,576.46	\$7,464.87	
180K Equipment Note	1.59	5 years	\$35,989.31	\$1,746.09	
70K Equipment Note	1.58	5 years	\$14,216.42	\$454.09	
306K Cap Improve Note	2.04	5 years	\$62,413.31	\$2,581.68	
<b>Total for FY25</b>			<b>\$209,694.29</b>	<b>\$27,127.65</b>	<b>\$236,821.94</b>

- Line 274 This is the line that would be used for purchase of the new truck if approved (**Article 7**). Includes purchase of new radios for trucks and handheld radios.
- Line 276 Included Better Back Roads expenses; paving of Irish Settlement Rd. Painting for project included here.

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

	2024	2025	Change	% Change
Muni rate (GL EST)	.5330	.5499	.0169	3.2%
Town Contract	.0156	.0150	-.0150	-3.8%
Muni Rate w/ TC	.5486	.5648	.0163	2.97%

The tax rate is based on the Grand list. We had projected 5,000,000 in 2024 and it came in at 5,464,518.

For FY5 estimate at 5,480,000 for the Grand list.

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.

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