

To: Selectboard  
From: RaMona Sheppard  
Date: November 24, 2015  
Subject: FY17 Budget – First Pass

### **Summary**

The attached budget represents an increase of 3.5%. However, because of the source of funds from FY16 to FY17, the tax increase is 2.72 cents or a 5.4% increase in the tax rate. That rate is based on the working taxable grand list which is currently \$14,567 higher than the current grand list.

### **Salaries and Benefits**

The budget assumes a 3% across the board raise for all employees and officials (except the SB which is decided by the voters). There are slight increases to health insurance and retirement contribution, but all other benefits are lower or steady. The workers' compensation rate hasn't been received yet, so it is budgeted flat. We haven't had any claims and our one large claim should be coming off the reserve calculation this year. We will be receiving enough shared credits from VLCT unemployment (UI) fund to reduce the UI expense to zero for FY17.

### **Revenue – other than tax**

Our tax delinquencies have been declining over the past few years resulting in a reduction to penalty and interest revenue. As a result, the combined revenue for these two items was reduced by \$4,000. Judiciary fines have also fallen annually and the FY17 forecast was reduced an additional \$2,000 as a conservative estimate.

Other financing sources in general government are \$30,000 for the School House Renovation Project: \$10,000 donation from the Historical Society plus \$20,000 Grant. We will again be using \$8,850 from the records retention reserve for Town Clerk retention project. Other financing in the highway revenues reflects a bank loan for \$155,000 for a new vehicle.

The only grant forecast in the revenue other than the School House Project is \$172,000 for the Sidewalk Project. This revenue is committed by the granting agency, but is based on submission of permitted expenses and reimbursed at the rate of 90% of costs. In other words, if the project falls behind or accelerates, the revenue as well as the expenditures may vary. Revenue related to highway grants was reduced from \$75,000 in FY16 to zero in FY17. We may get funding if applied for, but we are forecasting conservatively.

### **Expenditures**

#### **General**

**Selectboard:** The major change to the Selectboard budget is an increase in the budget for legal expenditures from \$10,000 to \$20,000 to more accurately reflect ongoing actuals.

**Elections:** There will be a presidential primary during FY17 and there are increased mandatory associated costs with federal elections. As a result, the elections budget increased from \$8,750 to \$17,225.

**Administration:** No significant changes. There is an insignificant increase of \$1,423.

**Town Clerk:** There is a small increase in supplies and travel more than countered by a reduction to in lieu of insurance as the Town Clerks minor dependent ages out and her in lieu of goes from family to couple. The total department increase is \$228.

**Finance:** There is an increase in dues and subscription and training to more accurately match actuals, a reduction in supplies and a 3% estimated increase in Audit Fees for a total department increase of \$2,787.

**Listers:** There is a reduction to the in lieu of insurance line in the amount of \$6,294 because the covered employee will not be working the required hours to qualify. She will also be dropped from the life insurance for a reduction of \$289. Salaries for the department are forecasted to increase \$11,000 as the result of an increase in the requested number of hours worked from 2,000 in FY16 to 2,700 in FY17 with 760 hours for Pam and 970 hours each to the two new employees. The training budget is increased \$1,500. Overall, the department is budgeted to increase \$6,602.

**Town Hall:** The following increases are forecast: parks and landscaping \$1,175, postage meter and copier \$1,400, technical expenditures \$2,000, and office supplies \$3,000. The interest on the construction bond will decrease \$1,907 based on the payment schedule.

**Post Office:** Maintenance and repair of the post office is reduced \$750.

**School House:** Unchanged. Any costs associated with the new project will be capitalized, not expensed.

**Animal Control Officer:** No change.

**Public Safety:** Chittenden County Sheriff remains at \$15,000 – no change. Essex Rescue has submitted a request that is a 10% increase or \$750. CUSI has reduced their request by 25% or \$1,570, and UJFD is up less than 1% at an increase of \$1,687. The salary for the Public Health Officer has been eliminated as there hasn't been any submitted activity for over two years. The semi-annual well monitoring fee is reduced by \$4,425 per input from the supplier. Overall, Public Safety expenditures are expected to decline \$4,313.

**Recreation:** The recreation budget is flat except for the small salary increase.

**Planning and Zoning:** PZA salary is down \$2,371 because of a change in staff. The department in lieu of is reduced \$5,696 because the new staff has single coverage while the prior staff had full family. Other benefits are down \$3,138 because of staff insurance selections and because SS and VMRS are a percentage of salary. Normal training has been increased, but testing fees have been eliminated resulting in a net reduction to the line. Legal fees have been reduced \$2,500 and mapping has been reduced \$15,000 based on staff estimates. Advertising has been increased \$500, travel increased \$150, and Printing/Binding reduced \$400. Supplies were increased \$1,000. Technical expenditures were increased \$3,000 to purchase a permit tracking software. Overall, with the salary and benefits related reductions of \$11,205, the mapping reduction of \$15,000, and increases in other line items, the net department change is a reduction of \$24,912.

**Library:** The request from the library is up 6.38% or \$6,271.

**Capital: Building Improvements:** This \$50,000 is \$10,000 for the town hall roof and \$40,000 for the School House per the CIP.

**Local Agreement:** LA has been reduced to the amount for FY16. This is difficult to determine until we know the school taxes, but the net expense is zero because the revenue will match the expenditure.

**CTTA Bus Route:** The bus route cost for FY17 if set to increase to \$14,000. However, the town has paid \$3,000 per year for three years as a deposit/reserve. We can apply the full \$9,000 to this year's bill or spread it out over up to three years. The budget assumes taking the full \$9,000 credit in FY17. As a result, the increase is only \$2,000.

**UJ Park District:** The park district requests came in with a 21% increase or \$3,198.

**Chittenden County Tax:** The amount is unknown at this time and has been forecast the same of FY16.

**Social Service Appropriations:** At this time, the only requested increase is from Women Helping Battered Women in the amount of \$50.

**The net increase to general expenditures is \$44,910.**

**Highway:**

**Contractors:** Contractors have been increased \$7,250 to account for flaggers and miscellaneous needs.

**Other Purchased Services:** Heavy equipment maintenance is reduced \$10,000 to account for the new loader, but dump truck maintenance, small equipment maintenance, vehicle maintenance and equipment rental were increased \$9,000.

**General Supplies and Energy:** Remain unchanged.

**Road Materials:** Sand was reduced \$10,000 and salt was reduced \$2,000 to reflect actual conditions.

**Debt:** The debt increase is the result of the new loader purchased coupled with the reduction of loan for the 2011 truck which will be paid off this FY.

**Highway –** The net result to the non-capital highway expenditures is an decrease of \$32,158.

**Highway – Capital Expenditures:** The capital expenditures per the CIP include \$34,000 for the garage roof, \$155,000 for dump truck, \$100,000 for gravel roads, and \$158,000 for paved roads. The net increase to highway capital expenditures is \$82,600.

**The net increase to the highway expenditures is \$50,441.**