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Colchester Selectboard
December 13, 2022

ACTION SHEET

FY 2024 Municipal Services Budget and Warning for Public Hearing

RECOMMENDED ACTION: The Colchester Selectboard moves to warn a public hearing on January 10, 2023 for public comments on the proposed FY 2024 Municipal Services Budget, as presented by Renae Marshall, Deputy Town Manager on December 13, 2022.

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Memo

From the Town Manager's Office

To: Colchester Selectboard

From: Aaron Frank, Town Manager and Renae Marshall, Deputy Town Manager

CC: Town Department Heads

Date: December 6, 2022

Re: **FY24 Municipal Services Budget Proposal to the Selectboard**

Summary: The proposed FY24 municipal services budget maintains our current level of town services and addresses additional resource needs in IT due to expanding cybersecurity threats and increased service fees for departmental specific software and internet connectivity, as well as a Civilian Evidence Technician in the Colchester Police Department and additional resources needed for data storage and transmission required for Body Worn Cameras and Digital Evidence Software, approved by the Selectboard in the current fiscal year. This role of Evidence Technician was previously filled by a rotating assignment of a police detective. Due to the increasing responsibilities and time commitment to this role, it was determined that we would be better served hiring a civilian to oversee collection, logging, storing and as appropriate, disposing of evidence and property that come into our possession. We funded this position temporarily by holding one of our 29 police officer positions open, but our long-term plan was to obtain funding for this position so we could maintain 29 officers due to the high rate of calls for police services and the need to better distribute our call volume among the staff.

This memo discusses the municipal services budget, capital funding, estimated tax rate, and long-term fiscal constraint. *The Tax impact of the municipal service budget, along with previously approved capital items, is a 5.7% increase to municipal service property taxes. Examples of the impact are noted below.*

Estimated Municipal Services Property Tax Increase (Compared to FY 23)			
Assessed Value	200,000	300,000	400,000
Annual	$66	$99	$132
Monthly	$5.50	$8.25	$11.00
Weekly	$0.11	$0.16	$0.21

Town Municipal Services Budget: The Budget is comprised of twenty-five service categories. The expenses of four of these service categories have been reduced and twenty-one have increased. The municipal services budget increase is 8.3%. Changes are comprised of:

Examples of increased costs for maintaining the same level of municipal services include:

- **CPD Services & Utilities: +$135,649**
  - Includes annual contracts such as Howard Center Community Outreach as well as additional resources needed for data storage and transmission required for body worn cameras and digital evidence software, previously approved by the Selectboard.

- **CPD Civilian Evidence Technician: +102,000**
  - Hired a civilian to oversee collection, logging, storing, and as appropriate, disposing of evidence and property that come into our possession. This position was previously filled by a rotating assignment of a police detective. Due to the increasing responsibilities and time commitment to this role, it was determined that we would be better served hiring a civilian for this role.

- **Information Technology (IT): +95,417**
  - Resources needed to address expanding cyber security threats, increased fees for department-specific software and internet connectivity

- **Increased cost for fuel: +$40,000**
  - Unleaded prices are estimated to increase 23% from what was budgeted during the current year.
  - Diesel prices are projected to increase 31% from what was budgeted during the current fiscal year.

- **Increased Costs for Health Insurance: +$210,000**
  - Health Carrier raised its rates by 18%
  - These costs would have been much higher had we not aggressively negotiated directly with multiple insurance companies

- **Increased Costs for all Petroleum-based Products: +$20,000**
  - Petroleum-based products, i.e. oil, grease, diesel exhaust fluid, have already increased 20-38% from what was budgeted during the current fiscal year as well as cost increases for other equipment maintenance supplies needed.

- **Increased Costs for Legal Counsel: +30,000**
  - Due to recent price increase notifications from various law firms, we have increased our FY24 budgeted funds for legal counsel to reflect the increase in attorney fees.

Capital Funding: The Municipal Services Tax rate is also impacted by previously authorized voter approved taxes to support capital projects, which are funded by fixed dollar amounts, fixed tax rates, or long-term financing. These total $1,592,070 for FY 24. Local option taxes fund voter-approved bond/lease purchase payments of $452,849, leaving $1,139,221 to be raised from property taxes. The certainty of capital funding through multi-year authorizations allows us to maximize grant revenues and minimize borrowing for planned replacements of vehicles, equipment, and capital repairs to parks, roads and buildings. *The property tax funded capital is $1,139,221 and increased by $10,897 or just under 1% from last year.*

Tax Rate: The Town Municipal Services Budget and Capital Funding total $13,761,411 net of non-property tax revenues. With an estimated 1.05% growth in the Grand List, the estimated municipal services tax rate for FY 2024 is $0.6080. *The tax rate is estimated to increase by $0.0330 (a little less than three and a half cents per $100 of assessed property value) or a 5.7% increase over the prior year.*

Tax Impact:

FY 24 Estimated Municipal Services Property Tax Impact			
Assessed Value	200,000	300,000	400,000
Annual	$1,216	$1,824	$2,432
Monthly	$101.33	$152.00	$202.67
Weekly	$23.38	$35.08	$46.77

Estimated FY24 Municipal Services Property Tax Increase (Compared to FY 23)			
Assessed Value	200,000	300,000	400,000
Annual	$66	$99	$132
Monthly	$5.50	$8.25	$11.00
Weekly	$0.11	$0.16	$0.21

Long Term Fiscal Constraint: In June 2022, the Selectboard set the FY 23 municipal services tax rate of $0.5750 per hundred dollars of assessed property value. ***This rate was just 0.63% higher than the rate of $0.5530 set ten years ago for the FY 2015 municipal services tax bills.*** Based on 2022-23 taxes, Colchester's municipal services taxes are the second lowest per resident among the seven inner Chittenden County communities.

How is this tax rate comparable to 2015 possible? - Budget and Management Approach

- **Minimize Expenses**
  - Focus first on holding down and reducing expenses
    - Health care negotiations and high deductible plan avoided 21% increase
    - Renegotiated transit service contract saving 30%
  - Constant re-evaluation of service delivery
- **Maximize Non-Property Tax Revenues**
  - Fee based service evaluation
  - Use of non-tax revenues, such as fees and grants, which cover $ 2,406,197 or 15% of the municipal services budget
  - Operation of fee-for-service departments as businesses through "enterprise funds"
  - Revised approach to budget savings by applying it to future years' financial obligations and reduced taxes. Savings from this approach was $266,000 in FY20, FY21 & FY22.
  - Secured $1,200,000 in grants supporting 38% of town FY 23 capital expenses
    - Working to Secure $2.1M in grants to support 22% of the town's capital expenses from FY 24-FY 28
  - Use of local option tax revenue to fund $452,849 of voter approved debt previously paid by property taxes.
  - Secured $18,485 in grants for COVID related expenses
- **Property Taxes are "last dollar in"**
- **Growth and investment in Colchester increased property value by $226,365,500 (11%) from FY 2015 to FY 2024**

Memo

From the Office of the Town Manager

To: Colchester Selectboard
From: Aaron Frank, Town Manager; Renae Marshall, Deputy Town Manager and Lara Alemy, Finance Director
Date: November 23, 2022 (UPDATED for 12-13-2022)
Re: FY 2024 Draft Town Municipal Services Budget – Expense Overview

This memo and the attached spreadsheets show departmental municipal services budget changes to aid the Selectboard in their consideration of the budget request by the Town administration. Four of the twenty-five areas were reduced.

Town Municipal Services Budget	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Total	**$ 15,028,386**	**$ 13,880,217**	**8.3%**	**$ 1,148,170**

This proposed budget represents an increase of $1,148,170 (8.3%). Except for the below changes, we have not budgeted for additional services. The budget increase reflects increased costs for health care, equipment, contracted services, labor, and materials, consumed in providing municipal services to the community.

In order to maintain the current level of services to the public, while responding to increased costs and resource needs, more significant increases include: Information Technology (IT) Services & Utilities - $95,417 to address additional resource needs in IT due to expanding cybersecurity risks and increased service fees for departmental specific software and internet connectivity; Civilian Evidence Technician in the Colchester Police Department - $102,000 salary, benefit and associated employment costs. This role was previously filled by a rotating assignment of a police detective. Due to the increasing responsibilities and time commitment to this role, it was determined that we would be better served hiring a civilian to oversee collection, logging, storing and as appropriate, disposing of evidence and property that come into our possession. We funded this position temporarily by holding one of our 29 police officer positions open, but our long-term plan was to obtain funding for this position so we could maintain 29 officers due to the high rate of calls for police services and the need to better distribute our call volume among the staff; Police Department Technology - $20,000 in additional funding for data storage required for Body Worn Cameras.

The budget increase would have been higher had the Selectboard not directed the Town Manager to find additional savings that can be realized without reducing services to the community. With the passing of the Malletts Bay Sewer Project, Town staff performed a cost-benefit analysis associated with retaining Delegation of the State's Wastewater Program. Under the delegation agreement in December of 2005, the Town assumed the administration of the State Wastewater Program. At that time, while the associated permit fees were not expected to fully cover the cost of the program, there were a number of benefits whereby the Town and its Selectboard believed that it was warranted to assume this responsibility. The reasons at the time included: 1) strong local knowledge of the properties, soil conditions and environmental

challenges in Colchester; 2) the ability to provide property owners with information about the performance of certain technologies or disposal design options given those factors, and most notably; 3) the ability to not recognize the "Clean Slate" allowance in the State's wastewater rules, which provides grandfathering of certain aspects of septic systems built before 2007. By not recognizing this clause, the Town can require that older systems be brought up to current technical standards prior to issuance of new permits which improves water quality. This was particularly important to Colchester given the significant number of non-compliant and failing septic systems within inner Malletts Bay where septic failure rates were 3-4 times higher than any other area within the community.

Since that time, the Malletts Bay Sewer Project was approved by voters in March of 2022, which will bring municipal sewer service to 289 properties along West Lakeshore Drive, East Lakeshore Drive, and Goodsell Point. The project will eliminate the pollution caused by non-compliant and failing septic systems in Malletts Bay, as well as eliminate the most significant reason the Town originally assumed responsibility for the administration of the State Wastewater Program and the ability to not recognize Clean Slate. In addition, the cost-benefit analysis indicated that the continuation of the program would cost taxpayers approximately $58,000 in FY24 and likely more would need to be funded by taxpayers in future years in order to support the program. For these reasons, the Colchester Selectboard voted at their November 8, 2022 meeting to authorize the Town Manager to provide formal notice of the Town's intent to discontinue administration of the State Wastewater Program on or around April 1, 2023, saving taxpayers $58,000 in FY24.

The Town departments could better meet residents and taxpayer needs with more resources. However, the residents, businesses and voters also wish to keep the tax rate affordable and this budget represents a balance of those competing goals, understanding there are economic pressures outside of our control. Finally, we have tried to resource services in new, different, and more cost-effective ways, as exemplified by the reduction of expenses in four of the Town's twenty-five cost centers.

Departmental Summaries:

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Selectboard	$ 76,650	$ 75,574	1.4%	$1,077

The Town's elected, non-party based, Selectboard serves as both the judicial and legislative branch of town government, usually meeting over 30 times a year to consider policy as well as significant legal and operational issues. The Selectboard is a representative form of government that also hires and provides input and guidance to the Town Manager. This service area includes Selectboard Contingency, Selectboard stipends, printing of the annual Town report and binding a dozen paper copies of the Town ordinances. We have reduced the size and number of printed annual reports and ordinances now that they are published on our website.

The majority of the funds, $66,000, is for "Selectboard Contingency" and could fund budget over-runs or items not budgeted. The funding for Selectboard Contingency does not come from FY 24 tax revenues, but rather from the fund balance. If the Selectboard Contingency is spent, future tax dollars would be needed to replace the amount expended, if the Town desired to maintain the fund balance. The Selectboard and Town Management are protective of these funds and would generally spend them only after other sources of revenue are exhausted.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Transfers	$ 226,033	$ 226,033	0.0%	$ 0

This cost center includes transfers among various funds, some of which are funded with property taxes and others from other sources. Other funds have special designated purposes, whereas the general fund does not, other than to support the Town's general municipal services.

Notable expenses in this cost center include:

1) Transfer of $226,003 to the fire capital fund for long term capital items. We will be adjusting this over the next few years as we determine the funds needed to maintain our equipment and what we can save towards future high cost items like fire trucks. Ultimately, we are likely to recommend a multi-year Fire Capital Plan funded by a voter approved amount or tax rate.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Civil Board	$ 40,359	$ 45,298	-10.9%	$ (4,939)

The Civil Board is overseen by the Town Clerk and provides support for running elections, including registering voters; drafting and ordering ballots; mailing and storage of absentee ballots; overseeing and certifying voting results. Expenses primarily include partial support of one Town Clerk staff member who performs these functions, as well as wages for the elected Justices of the Peace who perform these mandated election related functions, should they wish to be paid.

Notable changes to this cost center include:

1) $1,708 (-6.2%) decrease for part time Civil Board Salaries & Wages since we have two elections in FY24 vs. three held in FY23.
2) Increased health care costs are offset by the reduced expense that result from two elections vs. three, including a reduction in associated postage fees and other related labor costs.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Manager	$ 883,367	$ 831,826	6.2%	$ 51,541

This cost center provides for: general management of the Town's thirteen external service groups and three internal service groups; municipal service and capital budget development and implementation; tax rate setting; collection of about $7M in Town fees and grants; collection of $34M in taxes and fees, including the State Education taxes on behalf of the Colchester School District; identification, procurement, application and compliance with grants; negotiation and implementation of three labor agreements; negotiation and drafting of benefits and vendor contracts on behalf of all town departments; emergency planning and management; coordination of work by eighty-six elected and appointed officials serving on twelve boards and commissions so that they operate in concert with each other, the Town management and the

Selectboard; coordination with three water entities so that water service complements overall development plans; resourcing the development of the Community Recreation Center; coordination and contract management of regional entities such as Chittenden County Regional Planning Commission, Winooski Valley Park District, Lake Champlain Regional Chamber of Commerce, Greater Burlington Industrial Corporation, Green Mountain Transit, Special Services Transportation Agency, and Chittenden Solid Waste District; coordination with the Colchester School District on fiscal and operational issues; oversight of contracted town attorneys in the areas of labor law, development law, general municipal law, and finance law; reporting to and implementing recommendations of the independent external auditor who is overseen by the Selectboard; drafting, organizing and managing the flow of information and processes of the Selectboard; drafting, implementing and overseeing 39 Selectboard Policies; drafting charter changes and related ballot language; transportation options evaluation and prioritization; drafting legal documents; recruiting, hiring, and, if needed, concluding employee relationships; leading the information technology, emergency management, and human resources departments; insurance and risk management for property casualty and employee liability, workers compensation and disability; oversight of Town-wide safety; ongoing employee meetings; development and presentation of training on safety, technology, and business analysis and improvement for all Town departments; resetting and analysis of all fees and user services; serving a leadership role in regionalization efforts for dispatch services; Town-wide communications coordination and document drafting; constituent concerns and complaints; review, analysis and testimony on Vermont legislation affecting the Town; review, interpretation and implementation of federal and state laws as they relate to our employees and diverse areas of operations; resourcing economic development planning and implementation; engaging with businesses for retention and development; engaging, planning and implementing improvements to Town facilities and services; engagement with our State legislators; and assisting the departments to manage the ongoing day to day business of the Town.

Notable changes to this cost center include:

1) $296 (-0.1%) decrease to Salary & Wages as a result of savings related to restructuring a position in the Manager's office that responds to ongoing needs but results in a decreased cost;
2) $1,737 (0.8%) increase to Employer Taxes & Benefits primarily for increased costs for retirement, social security, property & liability insurance as well as worker's comp.
3) $41,600 (44.6%) increase to Services and Utilities, primarily due to an increase in town-wide training and increased costs for legal expenses.
4) $4,500 (180%) increase to Supplies & Parts due to cost & usage increases for office supplies.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Economic Development	$147,540	$ 137,074	7.6%	$ 10,466

The Economic Development Department facilitates the effective management of the growth and development of our community while preserving our natural assets. The departmental goals include facilitating Colchester's planned growth; efforts to create, recruit, and retain high quality jobs while protecting and building upon the community characteristics most valued by residents; and developing alternative funding opportunities. Economic Development has been active in making businesses aware of state and federal funding opportunities and in providing public information to the community.

Notable changes to this cost center include:

1) $4,147 (5%) Salary and Wage increase;
2) $4,318 (10.4%) Employer Taxes & Benefits increased primarily due to increased costs

for health insurance and retirement;
3) $2,000 increase to Services and Utilities to account for costs for training. Please note this amount was temporarily removed in FY23 due to decreased opportunities for offsite training.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Finance	$ 486,971	$ 458,097	6.3%	$ 28,874

The Finance Department provides for accounts payable, payroll, retirement, debt management, financial reporting to the department heads and Selectboard, purchasing for twenty-five general fund cost centers, wastewater, dispatch, and recreation enterprise funds and six capital funds. It also manages accounts receivable, special assessment billings, wastewater loan management and billing, loans to housing entities, budget modeling, federal grant tracking and compliance, ongoing inventories of fixed assets, drafting and maintaining oversight of town-wide financial policies and procedures; and maintains financial records and adheres to policies and procedures in a manner that results in few audit findings. The department's outside services include the Town Charter required annual external audit, federal grant audits, as well as upkeep of the Town's financial software and hardware. The finance department substantially contributes to the town-wide budget development.

Notable changes to this cost center include:
1) $16,178 (6.1%) increase in Salaries & Wages;
2) $11,497 (10.7%) increase in Employer Taxes and Benefits primarily due to increased costs for health insurance, retirement, social security, property & liability insurance and worker's comp;
3) $1,200 (1.4%) increase in Services and Utilities comprised primarily of increased costs for external audit fees and postage.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Assessor	$ 224,944	$ 233,831	-3.8%	$ (8,886)

The Assessor's office assesses property in a manner such that no property owner pays more than their fair share in property taxes. This is accomplished through developing up-to-date, fair, and accurate assessments that are based on detailed information and research.

Notable changes to this cost center include:
1) $6,723 (5.7%) increase in Salaries & Wages;
2) $4,890 (9.1%) increase in Employer Taxes & Benefits primarily for increased costs for health insurance, property & liability insurance, social security, retirement and worker's comp;
3) $20,500 (-33.1%) decrease for Services & Utilities due to a decreased need in FY24 for professional services and legal expenses since reappraisal will not occur during that fiscal year.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Town Clerk	$401,982	$369,083	8.9%	$32,899

The Town Clerk's office provides for tax billing and collections, including tax sales when necessary and receipt of cash and checks from billed services. The Clerk's office also records all documents related to land, vital records, elections, issues a variety of licenses and passports; and are responsible for cemetery lot sales and records.

Notable changes to this cost center include:

1) $7,854 (3.3%) increase in Salaries & Wages;
2) $21,045 (21.2%) increase in Employer Taxes & Benefits primarily due to increased costs for health insurance, property & liability insurance, social security and worker's comp;
3) $2,000 (9.9%) increase for Services & Utilities primarily for higher costs for legal, operating supplies and postage.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Planning & Zoning & DRB	$526,097	$469,585	12.0%	$56,512

The Department of Planning and Zoning provides regulatory oversight to construction and development within the community as well as quality of life and environmental concerns. The department's activities include planning and drafting of development regulations with the support of an appointed Planning Commission and administration of development regulations with the support of the Development Review Board.

This department was recently restructured following a request by your Selectboard during the summer 2020 to see what we could stop doing in order to reduce expenses and taxes to the community. The Planning and Zoning Department had not seen the dynamic changes that other departments had over the last decade, so it was clear it was ripe for a review.

Beyond the public policy changes that were made, we had to untangle and reassign duties. We restructured the department from six staff to four staff with broader and more shared responsibilities. We were able to maintain the key permitting functions of the department despite a 100% staffing turnover in a nine-month period with staff assigned from the manager's office and public works to help during this transition. The current staffing consists of a Planning & Zoning Director, Development Manager, Development Planner and Associate Planner. During this transition period and while we were still working to fill all four positions, we have utilized a staff member from the Manager's office to assist with building and health inspections. Recognizing it takes time to build an entirely new department and fully train staff, we have budgeted for this assistance to continue in FY24.

Notable changes to this cost center include:

1) $49,585 (20%) increase in Salaries & Wages. This reflects an additional 37.4% of one employee from the Manager's office for building and health inspections while the new Planning & Zoning staff is training in these areas;
2) $20,777 (16.2%) increase of Employer Taxes & Benefits primarily due to increased costs for health insurance, social security, retirement and worker's comp;
3) $13,850 (-15.4%) reduction in Services & Utilities primarily due to a planned decrease in professional services to offset increased costs associated with ongoing support from the Manager's office in FY24. The professional services will likely be right-sized in future budgets once the department is fully staffed.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Information Tech	$311,523	$203,669	53.0%	$107,854

Information Technology provides central hardware, networking IT and telecom services for all Town departments. Purchases of equipment are planned centrally and made through a multi-year capital plan. Departments are responsible for maintaining special purpose software although its hardware requirements are met by the IT department. The department maintains six servers, seven switches, three firewalls, three back up devices which provide access for four public use software systems, seven departmental software systems and seven police software systems. IT also provides user support for 166 PC's/laptops/readers/terminals used by about as many users who include staff, rescue volunteers,

board members, and the public (readers are loaned out from the library). The Town Manager's office oversees this area given its important link to all departments. IT staff set up servers, firewalls, and backup systems.

Notable changes to this cost center include:

1) $6,996 (5.7%) increase in Salaries & Wages;
2) $5,341 (11.5%) increase in Employer Taxes & Benefits due primarily to increased costs for health insurance, property and liability insurance, worker's comp and retirement;
3) $95,417 (330.7%) increase for Services & Utilities due to a need for additional resources to address cybersecurity threats, departmental specific software and internet connectivity.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Police	$4,757,920	$4,145,007	14.8%	$612,913

The Colchester Police Department provides 24/7/365 police services to the Colchester community. CPD provides emergency and non-emergency response to a broad variety of citizen and officer initiated calls for service. CPD strives to work collaboratively with citizens, other Town departments and all stakeholders in public safety.

Services include: response to emergencies; proactive community contacts, patrols, public engagement; problem solving, crime prevention; investigation of crimes, crashes, reported incidents; provision of community services such as car seat inspections, fingerprinting and personal safety classes; traffic safety through enforcement and education; and special units, programs and activities. The Colchester Police budget includes funding for Community Outreach workers from Howard Center and restorative justice services from Essex Community Justice Center. These services are under contract with the Town so are not shown as direct allocations.

Notable changes to this cost center include:
1) $308,098 (12.3%) increase to Salaries & Wages of which about 1/3 or $102,000 is funding for the civilian evidence position;
2) $210,167 (17.5%) increase to Employer Taxes & Benefits which is primarily comprised of increases in: health insurance, retirement, general and auto liability, worker's comp and social security.
3) $135,649 (47.9%) increase to Services & Utilities primarily due to increases for training due to higher costs for travel and tuition and moving annual service contract expenditures to this line item.
4) $20,000 (36.4%) increase to Equipment primarily for increased costs for uniforms & associated equipment.
5) $62,000 (-67.4%) decrease to Miscellaneous due to contract related expenses like body worn camera data storage, digital evidence processing software, Howard Center Community Outreach and Essex Community Justice Center funding now moved to the Services & Utilities line item.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Dispatch	$558,071	$543,908	2.6%	$14,163

Colchester's Public Safety Dispatch is managed by the Colchester Police Department, and dispatches for four Colchester entities including the Colchester Fire Department (which include the Saint Michael's Fire, a connected unit), Colchester Police, Colchester Rescue, and Colchester Technical Rescue.

Notable changes to this cost center include:

1) $14,163 (2.6%) which was primarily due to increased costs for health insurance, social security, retirement and training.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Fire Department	$1,045,884	$945,478	10.6%	$100,406

The Colchester Fire Department is a combined volunteer and career department. About 47 Volunteers including six cadets (youth volunteers) are augmented by a chief and four career firefighters who work weekday day-time when volunteers are not as available. We also have a half time assistant chief who works half time fulfilling responsibilities in other Town departments but is available to the Fire Department during emergencies. The services the department provides include, Fire Suppression, Emergency Medical First Response, Heavy Rescue, Water and Cold-Water Rescue, Hazmat and Marine First Response. The department responds to emergency calls for service, conducts training, public education on fire prevention and fire safety, permit/plan review, and fire prevention activities. The Town supports Saint Michael's Fire from a financial perspective and has incorporated them into the Town-wide command structure.

Notable changes to this cost center include:

1) $49,011 (13.3%) increase in Salaries & Wages including overtime, per-diem and volunteer pay which includes a half time assistant fire chief;
2) $40,286 (23.3%) increase in Employer Taxes & Benefits primarily due to increased costs for health insurance, worker's comp, social security and retirement including half the cost of benefits of the assistant chief, who is a full-time employee but budgeted half-time to other town departments fulfilling other municipal responsibilities.
3) $11,109 (7.2%) increase to Equipment primarily due to increased costs for utilities and telephone.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Rescue	$108,911	$230,193	-52.7%	$(121,282)

Rescue services are provided to Colchester through Saint Michael's Fire and Rescue in the Route 15 area of Town and the Colchester Rescue Squad elsewhere. The Colchester Rescue squad is both a Town department and a volunteer organization. We provide ambulance service with a squad of 40 volunteers, a few "per-diem" staff, four career staff, an Assistant Chief and a Chief.

The Town has been diligently working for the last nine years to operate Town services which can produce their own revenues more like a business. In the case of Colchester Rescue, it is projected to generate 88% or $798,717 of its estimated operating costs of $907,629 for FY 24, leaving the Town's share of the costs at $108,911.

Rescue is growing pretty rapidly with calls for service as follows: FY22 – 1,990; FY 21 – 1,914; FY20 – 1,607 (COVID caused reduction in people addressing other emergent and non-emergent medical issues); FY19 – 1,672; FY18 – 1,458; FY17 – 1,469, and FY16 – 1,246. Operating Colchester Rescue more like a business allows us to adjust staffing up and down as service needs grow and contract with the market. This is more effectively done outside of the government funding model and allows for opportunities to earn more revenues to float with demand. In contrast, with tax funded services, expenses are fixed by a budget that is drafted 9-21 months in advance of the time of service delivery. In recognition of the success of running rescue more like a business, but one which still needs some municipal services tax support, this budget includes transferring $108,911 to a Rescue Enterprise Fund, with the remainder of the funding coming from earned rescue revenues.

Notable changes to this cost center include:

1) $121,282 (-52.7%) reduction for FY24 is needed from the municipal services budget to support the rescue service due to continued increases in calls for service which result in higher ambulance revenues.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Tech Rescue	$42,625	$42,063	1.3%	$562

Colchester Technical Rescue (CTR) provides search and rescue services for the Town of Colchester, and other communities in the county, state and sometimes across the country. These services include, water, dive, rope, trench, confined space and structural collapse rescue and recovery. CTR performs 30-40 activations per year, some of which are local, state and national responses. National deployments, which can last for weeks at a time, are reimbursed by Vermont Emergency Management through agreements with other states.

Like Colchester's other public safety services, CTR is also supported from other sources. They are noted here just for CTR, as it is a unique service comprised solely of volunteers and include: a) $25,000 annually in the Capital Equipment Plan to replace a $375,000+ 2013 dive truck in 2033, a $95,000 2019 model utility body 4x4 truck in 2034, a $49,000+ 2008 4x4 pickup in 2026; b) $20,000 in vehicle maintenance labor not charged to CTR; c) $8,000 a year from the Public Safety Capital Plan which provides for CTR capital equipment replacement at the discretion of the Chief; d) subsidy of workers compensation insurance charged to the department--which are high for the number of volunteer workers, but not necessarily for the type of work—through Town-wide increases which are higher than average; e) grant management and managerial support.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Public Works-Admin	$747,751	$707,240	5.7%	$40,510

The Public Works Administrative Division consists of the Director, Town Engineer, Senior Operations Manager, Assistant Town Engineer, Technical Services Manager, Environmental Engineer, and DPW Coordinator. This division is responsible for the management of the Public Works Department which provides all planning, policy development, program development, finance, engineering, construction and maintenance relative to the Town's critical infrastructure. The Administrative Division manages five maintenance divisions and one capital plan. The overall service objectives are to preserve capital investments, protect and preserve the community's environmental resources; improve the quality of life for citizens, ensure public safety and preserve and promote economic vitality within the community. DPW Administration supports the enterprise funds of Stormwater and Wastewater. The Technical Services Manager is entirely funded by the Stormwater Fund. The municipal services budget is reimbursed by these enterprise funds for time spent in these areas by other staff. As stormwater moves toward implementation of capital projects, more staff time is being used in that area.

Notable changes in DPW Administration are:

1) increase in Salaries & Wages of $28,289 (5.9%);
2) increase of $8,050 (4.3%) in Employer Taxes & Benefits, primarily due to increased costs for health insurance, retirement, social security, property & liability and worker's comp;
3) increase of $4,172 (10.1%) in Services and Utilities due to a transfer of costs for GIS mapping related to specific software, currently utilized for the town's underground infrastructure, that was previously paid out of the Planning & Zoning budget.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Highway	$1,570,368	$1,436,999	9.3%	$133,369

The Highway Division is responsible for the management, maintenance, repair, and inspection of the Town's transportation system consisting of 90 miles of public roadways and 37 miles of bike paths and sidewalks. The mission of this division is to improve the overall quality of life of the community through the development of a superior infrastructure; by providing safety improvements and services to the transportation system; preserving the community's investment through preventative maintenance programs; and protecting and preserving the Town's natural resources through sensible maintenance programs.

Notable changes to this cost center include:

1) $34,915 (6.3%) increase to Salary & Wages of which the most significant portion is partial funding of a full-time position to be shared with Parks. This replaces a part time position in the DPW maintenance facility budget
2) $57,239 (17.5%) increase to Employer Taxes & Benefits primarily due to increased costs for health insurance, worker's comp and property & liability insurance; social security and retirement, which is also impacted by the above positional change.
3) $19,114 (11.1%) increase to Services & Utilities for increased costs of utilities, including streetlights, streetlight maintenance and tree maintenance.
4) $22,102 (5.8%) Supplies and Parts increase primarily for winter sand, asphalt for repair and gravel.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Maintenance Facility	$473,788	$487,381	-2.8%	$(13,593)

The Maintenance Division is responsible for the management, maintenance, repair, and inspection of the Town's equipment fleet consisting of 110 pieces of rolling stock equipment and 89 other smaller pieces of equipment. The mission of the Equipment Maintenance Division is to provide safe and efficient equipment to Town departments; preserve the capital investment made in the Town's equipment fleet; provide a safe working environment for the equipment maintenance personnel; and protect and preserve the natural resources within the area of the maintenance facility. Significantly, the Maintenance Division of Public Works took on maintenance of our eight fire engines and multiple fire support vehicles in June 2020.

Notable changes to this cost center include:

1) $25,153 (-8.9%) decrease in Salaries & Wages primarily due to no longer utilizing seasonal labor for vehicle maintenance needs;
2) $8,353 (7.8%) increase in Employer Taxes & Benefits primarily due to increased costs for health insurance, property & liability insurance, retirement and worker's comp which are all offset by decreases in social security and unemployment tax;
3) $3,793 (-7.1%) decrease of for Services & Utilities primarily due to solar credits to general fund applied to the maintenance facility to offset electrical costs as well as decreased vehicle inspection fees,
4) $7,000 (17.9%) increase in Supplies & Parts due to increases in petroleum-based products from 20-38%, depending on the product and supply chain issues that are expected to continue into FY24.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Stormwater	$151,940	$142,000	7.0%	$9,940

The Stormwater Division is responsible for the overall management, maintenance, repair, and inspection of the Town's stormwater system consisting of 2,500 structures and associated piping, street sweeping, drainage ditches, water quality sampling and the compliance requirements associated with the Town's Phase II MS4 Stormwater Permit. The mission of the Stormwater Division is to improve the quality of life within the community through the development of a superior infrastructure and preserving and protecting the community's environmental and natural resources. Funding is provided through the town's Stormwater Utility, plus the above noted fee for services from the General Fund.

The change to this cost center is an increase in the estimated fee to be paid by the general fund of $9,940.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Buildings	$209,316	$197,062	6.2%	$12,254

The Buildings Division is responsible for the management and care of 15 Town buildings. This division consists of one full-time employee equivalent whose tasks are fulfilled by DPW highway staff and whose assignments are managed by the department's Operations Manager, assisted by the Working Foreperson. The service objectives are to improve the quality of life within the community through the development of a superior infrastructure by providing maintenance and improvements to Town facilities used for the delivery of town services and programs and the overall management of the community. We have been assertive in rebidding contracts for cleaning, rubbish, elevator maintenance, copier leases, etc. which have allowed us to reduce expenses in these labor intensive functions. The Parks Department provides winter snow removal around Town buildings and parking lots, allowing the Public Works staff to focus more on winter road and path maintenance.

Notable changes to this cost center include:

1) $17,905 (31%) Salaries & Wages increase due to a change in operational needs related to a function previously served by a year-round working foreperson that was on call 1/3 of the time with services benefitting the highway, stormwater and wastewater divisions. However, due to increasing regulatory and oversight needs, aspects of this role are now included in a management level position funded by this division. The stormwater and wastewater divisions reimburse through a user fee funded cost allocation, but the expense remains in the DPW Building Division;
2) $14,499 (59.3%) Employer Taxes & Benefits increase primarily due increased costs for health insurance, retirement, worker's comp and property & liability insurance.
3) $20,150 (-19%) decrease in Services & Utilities primarily due to solar credits applied to general fund that offset electrical charges for Town Hall;

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Health Services	$65,940	$64,897	1.6%	$1,042

Health Services includes funding to external entities that assist with protecting and improving the health and welfare of the community. The proposed FY 24 budget for health services includes

1) $36,000 for the University of Vermont Health Network Home Health and Hospice (formerly Visiting Nurses Association), which is the FY23 budgeted expense, although it should be noted that they requested $40,000.

2) $21,890 for the contracted animal control officer (which is a proposed increase of $1,042)
3) $6,500 for kennel fees
4) $1,000 for Age Well (formerly CVAA)
5) $550 for Steps to End Domestic Violence (formerly Women Helping Battered Women) which is the FY23 budgeted expense, although it should be noted that they requested $4,000, an increase of $3,450. It should be noted that the town forgoes $6,327 in municipal service tax revenue since their acquisition of a property in Colchester for the purpose of providing a shelter to those folks fleeing domestic violence.

Additionally, the Town has received a request from: Vermont Family Network in the Amount of $2,500; We have shared this request with the Selectboard for their consideration but have not budgeted for it.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Parks	$494,327	$479,811	3.0%	$14,517

The Colchester Parks Division staff maintain 13 parks with amenities that include: 9 tennis courts, 3 basketball courts, 6 play structures, 4 sand volleyball courts, 4 soccer fields, 4 baseball fields, 1 softball field, 1 lacrosse/football field, 2 pavilions, 3 bathhouses, 2 shuffleboard courts, 4 dedicated pickleball courts, a skateboard park, 6 cemeteries, 2 beaches and swim areas, 1 dingy dock, 7 bike/pedestrian paths, 1 seasonal ice rink, 3 miles of Nordic trails, 4 pump stations, 4.5 miles of green belts and all Municipal building grounds. (Bayside Activity Center, Burnham Library, Town Hall, Police, Rescue, Public Works, Park Maintenance Fire Stations and Historical Society) This covers approximately 388 acres of land and 10.8 miles of bike/pedestrian paths. This division provides snow removal around all municipal buildings and parks which covers approximately 7.5 acres of land.

Notable changes to this cost center include:
1) $14,966 (6.6%) Salary & Wage increase;
2) $4,169 (4.8%) Employer Taxes and Benefits increase primarily due to increases for social security, retirement and worker's comp;
3) $5,000 (-50%) Equipment decrease to offset the increased costs for benefits required by state and federal law for year-round staff in order to combine a part-time position from Parks & Rec with another part-time position within DPW, for retention and consistency purposes. It may be necessary to reinstate this funding in FY 25.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Recreation	$283,523	$265,252	6.9%	$18,271

The Recreation cost center provides management and administration for the Parks and Recreation Department and the Recreation Program Fund, manages the Parks Capital Plan, the recreation impact fees on new residential properties, develops, plans and oversees Park maintenance, pavilion, athletic field and park rentals, plans and implements special events and activities throughout the year, and pays for non-fee generating activities of recreation. The recreation program fund operates services and programs for fees and does not require general fund municipal services tax funds.

Notable changes to this cost center include
1) $7,749 (5%) for Salary & Wage increases;
2) $5,722 (10.9%) increase in Employer Taxes and Benefits due to increased costs for health insurance, property & liability insurance, social security, retirement and worker's comp;
3) $4,800 (8.9%) increase to Services & Utilities primarily due to an increased cost for utilities and maintenance costs of the Activity Center as well as an increase in costs for fireworks and technology needs.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Library	$837,142	$807,652	3.7%	$29,490

The Burnham Memorial Library welcomes people of all ages and economic backgrounds to enrich their lives through books, audio-visual materials, and programs. The Library will provide materials for life-long learning and assistance in using information resources, with an emphasis on early childhood literacy. Colchester residents look to the Library as a place that is attractive and welcoming, with an atmosphere that inspires them to learn, grow, and become better citizens. Library staff manage the Library Meeting House on Main Street where a plethora of programing is typically available for all ages, as well as space for community events and meetings.

Notable changes to this cost center include:

1) $5,153 (1.2%) increase for wages;
2) $8,761 (4.2%) increase for Employer Taxes and Benefits due to increases in health insurance, property & casualty insurance, and worker's comp which is partially offset by a retirement decrease;
3) $15,577 (10.8%) increase for Services & Utilities as a result of increased costs for janitorial services and building and general maintenance needs.

	Proposed FY 24	FY 23	% Change from FY 23	$ change from FY 23
Intergovernmental	$355,414	$335,203	6.0%	$20,211

This cost center provides for the Town of Colchester's support of regional entities including: the Lake Champlain Regional Chamber of Commerce, the Vermont Council on World Affairs, Greater Burlington Industrial Corporation, Chittenden County Regional Planning Commission, Winooski Valley Park District, Vermont League of Cities and Towns, Green Mountain Transit fixed route and services for persons with disabilities, Special Services Transportation Agency (services for Elders and Persons with Disabilities), Chittenden County (funding for the Chittenden Superior Court, Probate Court and the County Sherriff), and the Colchester Conservation Commission.

Proposed changes to this cost center include

1) $15,000 (45.5%) increase in GMT ADA fees due to increased usage. This amount would be higher if we had not negotiated a multi-year contract;
2) $2,070 (3.9%) increase for Winooski Valley Park District;
3) $227 (0.9%) increase for Vermont League of Cities and Towns dues;
4) $2,000 (1.8%); an estimated County tax increase;
5) $1,000 (-3.3%) decrease for the GMT services contracted to SSTA for Elders and Persons with Disabilities.
6) $1,114 (5.3%) increase of CCRPC member dues;
7) $500 (20%) increase for the Colchester Conservation Commission, primarily to cover costs related to ongoing assistance with watering and weeding of flower beds throughout summer season;
8) We have budgeted the same as last year for the Lake Champlain Regional Chamber of Commerce, the Vermont Council on World Affairs and the Greater Burlington Industrial Commission.

COLCHESTER PROPOSED FY 2024 BUDGET

Account	FY22 Actual	FY23 Budget	FY24 Budget	$ Inc/Dec from FY 23	% Inc/Dec from FY 23 Budget
SELECTBOARD					
SALARIES & WAGES	8,500	7,500	8,500	1,000	13.3%
EMPLOYER TAXES & BENEFITS	650	574	650	77	13.3%
SERVICES & UTILITIES	0	67,500	67,500	0	0.0%
EQUIPMENT	0	0	0	0	0.0%
SUPPLIES & PARTS	0	0	0	0	0.0%
MISCELLANEOUS	0	0	0	0	0.0%
Total Select Board	**9,150**	**75,574**	**76,650**	**1,077**	**1.4%**
TRANSFERS					
TRANSFER TO FIRE CAPITAL	0	226,033	226,033	0	0.0%
TRANSFER TO CEMETERY FUND-SPENDABLE	35,000	0	0	0	0.0%
Total Transfers	**35,000**	**226,033**	**226,033**	**0**	**0.0%**
CIVIL BOARD					
SALARIES & WAGES	15,270	27,543	25,835	(1,708)	-6.2%
EMPLOYER TAXES & BENEFITS	2,808	6,155	7,424	1,269	20.6%
SERVICES & UTILITIES	1,152	4,000	2,500	(1,500)	-37.5%
EQUIPMENT	922	600	600	0	0.0%
SUPPLIES & PARTS	0	0	0	0	0.0%
MISCELLANEOUS	1,540	7,000	4,000	(3,000)	-42.9%
Total Civil Board	**21,693**	**45,298**	**40,359**	**(4,939)**	**-10.9%**
MANAGER					
SALARIES & WAGES	436,290	502,094	501,798	(296)	-0.1%
EMPLOYER TAXES & BENEFITS	162,343	212,031	213,768	1,737	0.8%
SERVICES & UTILITIES	701,935	93,200	134,800	41,600	44.6%
EQUIPMENT	0	0	0	0	0.0%
SUPPLIES & PARTS	6,304	2,500	7,000	4,500	180.0%
MISCELLANEOUS	35,232	22,000	26,000	4,000	18.2%
Total Manager	**1,342,105**	**831,826**	**883,367**	**51,541**	**6.2%**
ECONOMIC DEVELOPMENT					
SALARIES & WAGES	82,550	82,928	87,076	4,147	5.0%
EMPLOYER TAXES & BENEFITS	37,423	41,646	45,964	4,318	10.4%
SERVICES & UTILITIES	3,429	12,500	14,500	2,000	16.0%
EQUIPMENT	0	0	0	0	0.0%
SUPPLIES & PARTS	0	0	0	0	0.0%
MISCELLANEOUS	0	0	0	0	0.0%
TRANSFERS	0	0	0	0	0.0%
Total Economic Development	**123,402**	**137,074**	**147,540**	**10,466**	**7.6%**
FINANCE					
SALARIES & WAGES	259,551	263,789	279,966	16,178	6.1%
EMPLOYER TAXES & BENEFITS	97,028	107,808	119,305	11,497	10.7%
SERVICES & UTILITIES	72,895	83,500	84,700	1,200	1.4%
EQUIPMENT	0	0	0	0	0.0%
SUPPLIES & PARTS	3,074	3,000	3,000	0	0.0%
MISCELLANEOUS	0	0	0	0	0.0%
Total Finance	**432,548**	**458,097**	**486,971**	**28,874**	**6.3%**

COLCHESTER PROPOSED FY 2024 BUDGET					
Account	**FY22 Actual**	**FY23 Budget**	**FY24 Budget**	**$ Inc/Dec from FY 23**	**% Inc/Dec from FY 23 Budget**
ASSESSOR					
SALARIES & WAGES	116,411	117,601	124,324	6,723	5.7%
EMPLOYER TAXES & BENEFITS	48,500	53,730	58,620	4,890	9.1%
SERVICES & UTILITIES	29,011	62,000	41,500	(20,500)	-33.1%
EQUIPMENT	0	0	0	0	0.0%
SUPPLIES & PARTS	55	500	500	0	0.0%
MISCELLANEOUS	0	0	0	0	0.0%
Total Assessor	**193,977**	**233,831**	**224,944**	**(8,886)**	**-3.8%**
TOWN CLERK/TREASURER					
SALARIES & WAGES	252,729	236,973	244,826	7,854	3.3%
EMPLOYER TAXES & BENEFITS	92,570	99,260	120,306	21,045	21.2%
SERVICES & UTILITIES	19,495	20,250	22,250	2,000	9.9%
EQUIPMENT	0	0	0	0	0.0%
SUPPLIES & PARTS	12,669	12,000	14,000	2,000	16.7%
MISCELLANEOUS	2,221	600	600	0	0.0%
Total Town Clerk/Treasurer	**379,683**	**369,083**	**401,982**	**32,899**	**8.9%**
PLANNING/ZONING					
SALARIES & WAGES	206,103	248,258	297,843	49,585	20.0%
EMPLOYER TAXES & BENEFITS	83,301	127,877	148,654	20,777	16.2%
SERVICES & UTILITIES	77,337	89,950	76,100	(13,850)	-15.4%
EQUIPMENT	0	0	0	0	0.0%
SUPPLIES & PARTS	1,315	3,500	3,500	0	0.0%
MISCELLANEOUS	0	0	0	0	0.0%
Total Planning/Zoning	**368,055**	**469,585**	**526,097**	**56,512**	**12.0%**
INFORMATION TECHNOLOGY					
SALARIES & WAGES	136,051	123,288	130,285	6,996	5.7%
EMPLOYER TAXES & BENEFITS	41,966	46,531	51,871	5,341	11.5%
SERVICES & UTILITIES	43,612	28,850	124,267	95,417	330.7%
EQUIPMENT	6,654	5,000	5,000	0	0.0%
SUPPLIES & PARTS	55	0	100	100	0.0%
MISCELLANEOUS	0	0	0	0	0.0%
Total Information Technology	**228,338**	**203,669**	**311,523**	**107,854**	**53.0%**
POLICE ENFORCEMENT					
SALARIES & WAGES	2,400,748	2,505,581	2,813,678	308,098	12.3%
EMPLOYER TAXES & BENEFITS	999,579	1,199,526	1,409,693	210,167	17.5%
SERVICES & UTILITIES	287,291	282,900	418,549	135,649	47.9%
EQUIPMENT	118,685	55,000	75,000	20,000	36.4%
SUPPLIES & PARTS	10,770	10,000	11,000	1,000	10.0%
MISCELLANEOUS	88,123	92,000	30,000	(62,000)	-67.4%
Total Police	**3,905,197**	**4,145,007**	**4,757,920**	**612,913**	**14.8%**
PUBLIC SAFETY DISPATCH					
FUNDING FOR LOCAL OR REGIONAL	508,253	543,908	558,071	14,163	2.6%
Total Public Safety Dispatch	**508,253**	**543,908**	**558,071**	**14,163**	**2.6%**
FIRE					
FIRE RADIO TOWER LEASE	0	0	0	0	0.0%
DAYTIME COVERAGE PILOT	0	0	0	0	0.0%
FIRE PREVENTION & SUPRESSION	0	0	0	0	0.0%
SALARIES & WAGES	346,372	367,607	416,618	49,011	13.3%
EMPLOYER TAXES & BENEFITS	188,064	172,871	213,157	40,286	23.3%
SERVICES & UTILITIES	105,906	137,100	137,100	0	0.0%
EQUIPMENT	92,344	153,500	164,609	11,109	7.2%
SUPPLIES & PARTS	109,076	107,000	107,000	0	0.0%
MISCELLANEOUS	2,594	7,400	7,400	0	0.0%
CAPITAL AND TRANSFERS	226,033	0	0	0	0.0%

COLCHESTER PROPOSED FY 2024 BUDGET					
Account	**FY22 Actual**	**FY23 Budget**	**FY24 Budget**	**$ Inc/Dec from FY 23**	**% Inc/Dec from FY 23 Budget**
Total Fire	**1,070,390**	**945,478**	**1,045,884**	**100,406**	**10.6%**
RESCUE					
EXPENSES/TRANSFER TO RESCUE FUND	230,404	230,193	108,911	(121,282)	-52.7%
Total Rescue	**230,404**	**230,193**	**108,911**	**(121,282)**	**-52.7%**
TECHNICAL RESCUE					
SALARIES & WAGES	8,182	9,000	9,000	0	0.0%
EMPLOYER TAXES & BENEFITS	1,699	2,063	2,325	262	12.7%
SERVICES & UTILITIES	43,037	26,700	27,000	300	1.1%
EQUIPMENT	2,373	4,000	4,000	0	0.0%
SUPPLIES & PARTS	77	300	300	0	0.0%
MISCELLANEOUS	0	0	0	0	0.0%
Total Technical Rescue	**55,368**	**42,063**	**42,625**	**562**	**1.3%**
PUBLIC WORKS - ADMIN					
SALARIES & WAGES	408,750	478,663	506,952	28,289	5.9%
EMPLOYER TAXES & BENEFITS	140,258	185,627	193,677	8,050	4.3%
SERVICES & UTILITIES	65,059	41,500	45,672	4,172	10.1%
EQUIPMENT	0	0	0	0	0.0%
SUPPLIES & PARTS	1,638	1,450	1,450	0	0.0%
MISCELLANEOUS	0	0	0	0	0.0%
Total Public Works-Admin	**615,704**	**707,240**	**747,751**	**40,510**	**5.7%**
HIGHWAY DEPT					
SALARIES & WAGES	451,192	556,710	591,624	34,915	6.3%
EMPLOYER TAXES & BENEFITS	258,848	327,154	384,392	57,239	17.5%
SERVICES & UTILITIES	190,362	172,276	191,390	19,114	11.1%
EQUIPMENT	0	0	0	0	0.0%
SUPPLIES & PARTS	378,987	380,860	402,962	22,102	5.8%
MISCELLANEOUS	92,693	0	0	0	0.0%
Total Highway Dept	**1,372,082**	**1,436,999**	**1,570,368**	**133,369**	**9.3%**
MAINTENANCE FACILITY					
SALARIES & WAGES	239,534	283,093	257,940	(25,153)	-8.9%
EMPLOYER TAXES & BENEFITS	83,481	106,863	115,216	8,353	7.8%
SERVICES & UTILITIES	62,399	53,275	49,482	(3,793)	-7.1%
EQUIPMENT	2,966	5,000	5,000	0	0.0%
SUPPLIES & PARTS	38,195	39,150	46,150	7,000	17.9%
MISCELLANEOUS	325	0	0	0	0.0%
Total Maintenance Facility	**426,899**	**487,381**	**473,788**	**(13,593)**	**-2.8%**
STORMWATER					
SERVICES & UTILITIES	137,532	142,000	151,940	9,940	7.0%
Total Stormwater	**137,532**	**142,000**	**151,940**	**9,940**	**7.0%**
BUILDINGS					
SALARIES & WAGES	47,635	62,095	80,000	17,905	28.8%
EMPLOYER TAXES & BENEFITS	18,256	24,467	38,966	14,499	59.3%
SERVICES & UTILITIES	109,746	106,300	86,150	(20,150)	-19.0%
EQUIPMENT	0	0	0	0	0.0%
SUPPLIES & PARTS	1,272	3,500	3,500	0	0.0%
MISCELLANEOUS	132	700	700	0	0.0%
Total Buildings	**177,042**	**197,062**	**209,316**	**12,254**	**6.2%**

COLCHESTER PROPOSED FY 2024 BUDGET

Account	FY22 Actual	FY23 Budget	FY24 Budget	$ Inc/Dec from FY 23	% Inc/Dec from FY 23 Budget
HEALTH SERVICES					
VISITING NURSE ASSOC	36,000	36,000	36,000	0	0.0%
STEPS TO END DOMESTIC VIOLENCE	550	550	550	0	0.0%
TURNING POINT	1,000	1,000		0	0.0%
AGE WELL			1,000	0	0.0%
ANIMAL CONTROL CONTRACT	23,453	20,847	21,890	1,042	5.0%
ANIMAL CONTROL FEES	375	6,500	6,500	0	0.0%
Total Health Services	**61,378**	**64,897**	**65,940**	**1,042**	**1.6%**
PARKS					
SALARIES & WAGES	203,561	227,385	242,351	14,966	6.6%
EMPLOYER TAXES & BENEFITS	70,137	86,226	90,396	4,169	4.8%
SERVICES & UTILITIES	145,930	139,200	139,581	381	0.3%
EQUIPMENT	7,720	10,000	5,000	(5,000)	-50.0%
SUPPLIES & PARTS	16,124	17,000	17,000	0	0.0%
MISCELLANEOUS	13,077	0	0	0	0.0%
CAPITAL AND TRANSFES	0	0	0	0	0.0%
Total Parks	**456,549**	**479,811**	**494,327**	**14,517**	**3.0%**
RECREATION					
SALARIES & WAGES	148,978	154,995	162,743	7,749	5.0%
EMPLOYER TAXES & BENEFITS	49,235	52,558	58,280	5,722	10.9%
SERVICES & UTILITIES	46,709	54,200	59,000	4,800	8.9%
EQUIPMENT	0	0	0	0	0.0%
SUPPLIES & PARTS	2,933	3,500	3,500	0	0.0%
MISCELLANEOUS	1,700	0	0	0	0.0%
Total Recreation	**249,555**	**265,252**	**283,523**	**18,271**	**6.9%**
LIBRARY					
SALARIES & WAGES	399,212	446,882	452,035	5,153	1.2%
EMPLOYER TAXES & BENEFITS	161,699	210,670	219,430	8,761	4.2%
SERVICES & UTILITIES	133,900	144,900	160,477	15,577	10.8%
EQUIPMENT	0	0	0	0	0.0%
SUPPLIES & PARTS	5,416	5,200	5,200	0	0.0%
MISCELLANEOUS	0	0	0	0	0.0%
Total Library	**700,227**	**807,652**	**837,142**	**29,490**	**3.7%**

COLCHESTER PROPOSED FY 2024 BUDGET					
Account	**FY22 Actual**	**FY23 Budget**	**FY24 Budget**	**$ Inc/Dec from FY 23**	**% Inc/Dec from FY 23 Budget**
INTERGOVTL EXPENDITURES					
LCR CHAMBER	0	1,500	1,500	0	0.0%
VT COUNCIL ON WORLD AFFAIRS	1,000	500	500	0	0.0%
GBIC	3,000	3,000	3,000	0	0.0%
CHITT CO REGIONAL PLANNING	25,994	26,630	28,044	1,414	5.3%
WINOOSKI VALLEY PARK DISTRICT	49,725	53,073	55,143	2,070	3.9%
VLCT	22,394	24,000	24,227	227	0.9%
GMT ADA	48,000	33,000	48,000	15,000	45.5%
GMT Routes (Rt 15 & Rt 7)	43,628	51,000	51,000	0	0.0%
SSTA (E&D)	13,477	30,000	29,000	(1,000)	-3.3%
COUNTY TAX	104,498	110,000	112,000	2,000	1.8%
CONSERVATION COMMISSION	2,500	2,500	3,000	500	20.0%
Total Intergov Expenditures	**314,216**	**335,203**	**355,414**	**20,211**	**6.0%**
Total Expenditures	**13,414,745**	**13,880,217**	**15,029,386**	**1,148,170**	**8.3%**

Memo

From the Office of the Town Manager

To: Colchester Selectboard

From: Aaron Frank, Town Manager; Renae Marshall, Deputy Town Manager; Lara Alemy, Finance Director; and Robert Vickery, Assessor

Date: November 23, 2022

Re: FY 2024 Draft Municipal Services Budget - Revenues

This memo provides information about major revenue changes forecasted for the draft FY 24 municipal services budget. Revenue changes are in three categories and are explained below in more detail:

1. **Revenues from non-tax sources** supporting operating expenses are expected to increase by $224,544 or 12.4%.
    - We are expecting user fees and other non-tax revenues to increase based on trends in FY 23. These fees help decrease the pressure on property taxes.

2. ***Prior year's tax and fee revenues (fund balance) are $376,000.***
    - Typically, we used $266,000 in fund balance annually. We believe we can sustainably budget an additional $60,000 or $326,000 in total fund balance annually moving forward. We have proposed an additional $50,000 in FY24 to offset increased costs for municipal services. This application of fund balance decreases the amount of new municipal services taxes necessary.

3. ***Town property taxes are estimated to increase by 5.75% or 3.3 cents to $0.6080 per $100 of property value.***
    - This increase includes not only the municipal services budget which is the subject of this memo but also capital items approved by the voters.
    - Additionally, it includes an estimate of the growth and investment in value of property in Colchester that will be translated into tax revenues by an act of the independently elected Listers in June 2023.

Non-Tax Revenues

Areas	Proposed FY 24	FY 23	% Change From FY 23	$ Change from FY 23
Non Tax Revenues	$ 2,030,197	$ 1,805,654	12.4%	$ 224,544

Non-tax Revenues: Revenues that come from sources other than the current year's property taxes and fund balance (prior year's tax and fee revenues) are expected to increase by $224,544 or 12.4%.

This is primarily due to estimates of increased fee based activity including: $26,292 in transfer from the stormwater fund for services performed by staff funded by the municipal services budget; $10,121 in increased State Payment in Lieu of Tax revenue; $5,145 in Town Clerk fees; $88,600 in Building/Zoning

Permits; $15,000 in Delinquent Tax Fees; $8,000 in increased recreation facility rental fees; $15,000 in delinquent tax penalties; $4,177 increase in transfer from the Sewer Fund due to increased cost of services performed by staff funded by the municipal services budget and $500 in fees for right of way permits to work in or cut open town roads and sidewalks.

Expected Decreases in non-tax revenues primarily include: $25,000 in fees for recording and maintaining deeds due to higher interest rates which will likely result in a lower rate of refinancing and property transactions; $1,000 in Police Ticket Revenue; and, a $3,000 increase in Veterans Property Tax Exemptions (this is a tax credit to Disabled Veterans which we reflect as a negative revenue and which increases taxes for others to pay for the exemption.)

Generally, it is important for non-property tax revenues that support operating expenses in the municipal services budget to grow, as a whole, at a rate at least equal to any rate of growth of the municipal services budget. When these revenues do not grow by the same rate as operating expenses in the municipal services budget, property taxes must fund an increased share of the budget. This is challenging as most of our fees are not indexed or adjusted annually, but rather adjusted through review and ordinance changes. They also change based on services requested and or market demand.

Importantly, your town staff have not budgeted one-time grant revenues to cover annually recurring operating expenses. This causes either an abrupt discontinuation of services when the grant stops or an unwelcome tax spike if the service is continued after the grant is used up. We do not believe this is responsible or in keeping with the principles of a community that has, in its town charter, a requirement not to overspend the budget by more than 4% without voter approval.

Prior Year Tax and Fee Revenues

Areas	Proposed FY 24	FY 23	% Change From FY 23	$ Change from FY 23
REDUCTION IN FUND BALANCE	$ 376,000	$ 324,333	15.9%	$ 51,667

Reduction in Fund Balance. We intend to use $376,000 in fund balance (prior year's revenues exceeding expenses) towards town-wide operating expenses. This is an increase of $51,667 from FY 23.

There are three components of the fund balance to be used:

- $66,000 in Selectboard Contingency for unplanned items. This $66,000 is budgeted annually and when unused, remains in the fund balance. This is an ongoing practice.

- $260,000 in revenues exceeding expenses from FY 22 operations that the Selectboard put aside in June 2022 to reduce the amount of money needed to be raised from FY 2024 municipal services taxes. This is an ongoing practice.

- $50,000 in additional revenues from the fund balance to decrease the amount of property taxes required to account for the increased cost for services in FY24. This amount will be reduced to $25,000 in FY25 to minimize the amount that will need to be raised by municipal services taxes.

Fund Balance Use	FY24 Plan	
Year	Amount	
FY24	$	50,000
FY25	$	25,000
Total	**$**	**75,000**

FUND BALANCE: The fund balance services the town in multiple ways: 1) it serves to provide cash flow, to avoid borrowing between the beginning of the fiscal year and 45 days later when taxes are first due; 2) it allows the town to pay the Colchester School District its share of the Statewide Education Taxes, which allows the Colchester School District to avoid borrowing; 3) helps cover the costs when not everyone pays their taxes or less than expected revenue comes in (the town ultimately collects all taxes but it can take a number of years); 4) expenses could exceed budget when there is a natural disaster or an unusual or extended public safety response; 5) and reduces the cost of borrowing by having a healthy financial situation. The town's fund balance policy is available here.

The Selectboard passed a policy on fund balance in 2016 with a range of general fund fund-balance of 13% to 17% of recurring expenses. The fund balance as of June 30, 2022 is $2,188,934 at 15.7% of recurring expenses. Assuming the Selectboard approves the FY24 budgeted revenues as proposed, the fund balance will be 15.4% of recurring operating expenses, or $2,138,934, which is $177,708 short of two months operating expenses.

Areas	Proposed FY 24	FY 23	% Change From FY 23	$ Change from FY 23
PROPERTY TAXES	$ 12,622,189	$ 11,750,230	7.4%	$ 871,959

Property taxes: fund the difference between expenses and non-property tax revenues. Focusing first on expenses helps to minimize the requirements for funding from any source. Evaluating non-property tax revenues as often as feasible is our next approach to meeting service demands. *Revenue from property taxes is the last resort in funding the budget "net" of other revenues.*

A municipal services budget increase of 8.3% will not result in a property tax increase of 8.3%. An increase in total taxes of 7.4% will not result in a property tax increase of 7.4%. This is due to growth in the grand list (value of all taxable property in town) and the town's responsibility to fund voter approved capital projects, capital funding, and debt in addition to the annual operating budget.

Approximately 16% of the municipal services budget is obtained from non-tax funding. The town has four operating funds outside of the municipal services tax-supported municipal services budget: The Sewer Fund of $1,349,338, the Stormwater Fund of $991,615, the Recreation Program Fund of $942,175, and the Rescue Fund of $907,629. *Including these other operating funds, the town obtains 34% of its revenues from sources other than property taxes.*

The Charter requires the manager to present a budget of expenses and non-tax revenues.

State statutes and the town Charter separate the functions of budgeting and property valuation into independent boards and separate time schedules, so that they may not influence each other. This results in a significant separation in budget timing and property valuation. *Citizens vote on the budget March 7, 2023. The elected Board of Listers determines property value in June,* based on actual value of taxable property on April 1, 2023.

We have discussed practices of estimating grand list growth with our peer communities. All are conservative in the estimate if one is made, as too aggressive an estimate can result in a higher than advertised tax rate increase. We have found the consensus to be an estimate of about 2/3 the prior year actual growth, unless there is strong advance evidence to suggest something otherwise.

We have estimated the FY 24 total property value at $22,634,367—with seven months remaining until this determination is made in June 2023. This is based on an increase in value resulting from: 1) new permits that were issued after the 2022 grand list was lodged; 2) projects permitted but not completed as of 04/01/2022; 3) subdivisions that have been recorded to date; 4) estimated losses as a result of appeals, Error and Omissions (E&O), exemptions; and 5) electric - gas utilities depreciating and adjustments to their market value. More specifically:

- There are 66 construction permits used in this estimate that were issued before 9/30/2022 that are currently permitted to be built or were under construction as of 4/01/2022. The list of 66 permits includes new construction, demolitions, and rebuilds. The total estimate of the new construction value is $18,006,600. This estimate assumes permitted construction will be completed as of 04/01/2023. We are estimating on the aggressive side that most permitted construction will be completed by 4/01/2023. It is unknown how many new buildings will be completed, still under construction, or not started, and how many new permits will be taken out over the winter.

- Four lot subdivisions, five Planned Unit Developments and two permits that include subdividing a duplex into two condos have been approved and recorded as of 8/30/2022, since the 2022 GL was lodged. The estimated increase to the 2022 property values for these new lots is $1,086,400. There are some projects currently seeking approvals and would need to be recorded before 4/01/2023 to be considered in the 2023 property values. According to Vermont law, subdivisions are not valued until plats are recorded. Frequently developers obtain approval but do not record plats until they are ready to develop, thus delaying the increase in value.

- There is an estimated $3,000,000 growth in pools, decks, sheds, interior renovations, additions, and other capital improvements.

- An increase of $1,000,000 in expected increases in property values from gas and electric utility investments exceeding depreciation.

The town cannot control the rate of development to increase the grand list. While infrastructure development such as sewer and water in strategic areas is important and can encourage development, we do not own the property, nor do we control the demand for development. We are fortunate to have a community in inner Chittenden County where property values are higher than some other areas in the state. We have a diverse geography with 27 miles of Lake Champlain shoreline, and 12 miles of river shoreline with hills and valleys that produce beautiful scenery. There are about 10,000 working age adults in Colchester and employers in Colchester have about 10,000 jobs. We work to encourage private development that fits within our community's character, but ultimately the re-development and development of land is a private sector decision. Given we have limited land to develop, we may be better off with steady development rather than a big influx, considering the costs of accommodating the additional service demands which accompany development.

Summary

Assuming:

- The expenses and non-tax revenues noted above
- An addition of voter approved capital funding which we are now mandated to pay
- A grand list increase of 1.05%

Our estimate is that the tax rate will increase by about 3.30 cents per hundred dollars of property valuation, or 5.75%. This would result in a tax rate of $0.6080 per hundred dollars of assessed property value.

FY 24 Colchester Municipal Budget - Draft for Public Consideration

A. Draft FY 2024 Municipal Budget		
General Fund (GF) Operating Budget	$	15,028,386
GF Non-property tax revenues	$	(2,406,197)
GF Property tax based budget	**$**	**12,622,189**
Debt Service	$	452,849
LOT Revenues to Pay Debt Service	$	(452,849)
Voter Approved Multi-Year Capital Plans	$	1,139,221
Total Capital and Debt Funding	**$**	**1,139,221**
Property Tax Based Operating and Capital Funding	**$**	**13,761,411**

B. Draft Changes in Budget Net of Non Property Tax Revenues		
FY 23 Net Operating Budget and Capital Funding	$	12,878,554
FY 24 Draft Net Operating Budget and Capital Funding	$	13,761,411
Increase	**$**	**882,857**

C. Projected FY 2024 Municipal Grand List		
Estimated Colchester Property Values	$	2,263,436,700
Estimated Grand List (value divided by 100)	***$***	***22,634,367***

D. Projected FY 2024 Municipal Tax Rate		
Property Tax Based Operating Budget/Capital Funding	$	13,761,411
Estimated Grand List	$	22,634,367
Property Tax Based Budget divided by Grand List	***$***	***0.6080***

E. Estimated Municipal Tax Rate Changes		
Estimated 2024 Tax Rate*	$	0.6080
2023 Tax Rate	$	0.5750
Projected Change in Tax Rate	*$*	*0.0330*
FY 24 Projected Tax Rate increase (Estimate Only)		**5.7%**

COLCHESTER PROPOSED FY 2024 BUDGET

Account	FY22 Actual	FY23 Budget	FY24 Budget	$ Inc/Dec from FY 23	% Inc/Dec from FY 23 Budget
REVENUES					
PROPERTY TAXES	11,323,902	11,750,230	12,622,189	871,959	7.4%
VETERAN EXEMPTION	(33,133)	(30,000)	(33,000)	(3,000)	10.0%
INTEREST DELINQ TAXES	61,960	40,000	55,000	15,000	37.5%
PENALTIES DELINQ TAXES	99,736	62,500	77,500	15,000	24.0%
RECORDING FEES	186,382	185,000	160,000	(25,000)	-13.5%
CLERK FEES	87,943	67,155	72,300	5,145	7.7%
STATE AID TO HIGHWAYS	229,865	206,960	212,694	5,734	2.8%
MISC PUBLIC WORKS REVENUE	27,458	27,600	28,100	500	1.8%
BUILDING/ZONING PERMITS	276,566	265,000	353,600	88,600	33.4%
PLANNING & ZONING FEES	114,859	93,500	114,600	21,100	22.6%
MISC POLICE REVENUE	78,192	69,500	68,500	(1,000)	-1.4%
MISC RECREATION REVENUE	17,806	10,000	18,000	8,000	80.0%
GRANT REVENUE	19,826	0	0	0	0.0%
TRANSFER FROM SEWER FUND	135,520	128,776	132,953	4,177	3.2%
TRANSFER FROM STORMWATER	110,787	131,520	157,812	26,292	20.0%
TRANSFER FROM CEMETERY FUND	35,000	0	0	0	0.0%
GENERAL REVENUE	218,012	191,516	215,090	23,574	12.3%
833 BLAKELY LEASE REVENUE	47,733	30,992	60,174	29,182	94.2%
PILOT & CURRENT USE	333,191	325,635	336,874	11,239	3.5%
REDUCTION IN FUND BALANCE	0	66,000	116,000	50,000	75.8%
ASSIGNED FUND BALANCE	0	258,333	260,000	1,667	0.6%
Total Revenues	**13,371,604**	**13,880,217**	**15,028,386**	**1,148,170**	**8.3%**