

Town of Colchester

Draft FY 26 Municipal Services Budget

January 14, 2025





Budget Adoption Process

- Sept. 24 Selectboard Input to Manager on FY 26 Budget
- October Department Heads draft budgets
- Oct. 23 Departmental Budgets submitted to Town Manager's Office
- November TM, DTM and FD develop budget for Selectboard.
- Nov. 26 TM and DTM provide overview of draft budget to the Selectboard.
- Dec. 3 Selectboard reviews draft budget, including revenues.
- Dec. 10 Manager's Office formally presents budget to the Selectboard. Selectboard warns a public hearing.
- Jan. 14 Selectboard holds public hearing on budget. Selectboard shall approve budget for warning per charter deadlines.**
- Mar. 3 Town Meeting
- Mar. 4 Voting for annual budget effective July 1, 2025 – June 30, 2026

Budget Approach

1. Expenses

- Focus first on holding and reducing costs
- Justify expenses without considering revenues
- Discourages expense growth in revenue growth years
- Allows for service need based growth

2. Non-Tax Revenues

- Maximize non-tax revenues
- Avoid using one-time grant revenues for recurring operating expenses
as this would result in abrupt end to services, or tax spike when grant ends

3. Property Taxes

Last dollar in

Selectboard sets dollar amount in December – January

Elected Listers determine property value in mid-June

Selectboard sets tax rate in late June

FY26 OVERVIEW

Proposed FY 26	FY 25	% Change From FY 25	\$ change from FY 25
\$16,936,693	\$15,937,217	6.3%	\$ 999,476

Twenty-five service areas:

- ❑ Three were reduced and four increased by \$5,000 or less

Significant Changes needed to maintain current level of Service:

- ❑ Salary & Benefits for one half-time equivalent position in the Assessor's Office, which is necessitated by the town-wide reappraisal: **+\$56,751**
- ❑ Increased stipends for volunteer firefighters: **+\$43,400**
- ❑ Transitioned two (2) DPW-Highway employees from Maintenance I to Maintenance II: **+\$12,000**
- ❑ Transitioned one (1) 35-hour/week library employee to 40-hours/week to support community programming needs for library: **+\$12,000**
- ❑ FY26 increase, not including additional staff resources above: **+\$875,325 or 5.49%**
- ❑ Rescue –The revenue received by Colchester Rescue has resulted in a gradual decrease each year for the municipal service tax dollars required to support the operations of this service. In FY26, Colchester Rescue is expected to generate 100% of the revenue needed for its operating expenses: **-\$ (11,215)**

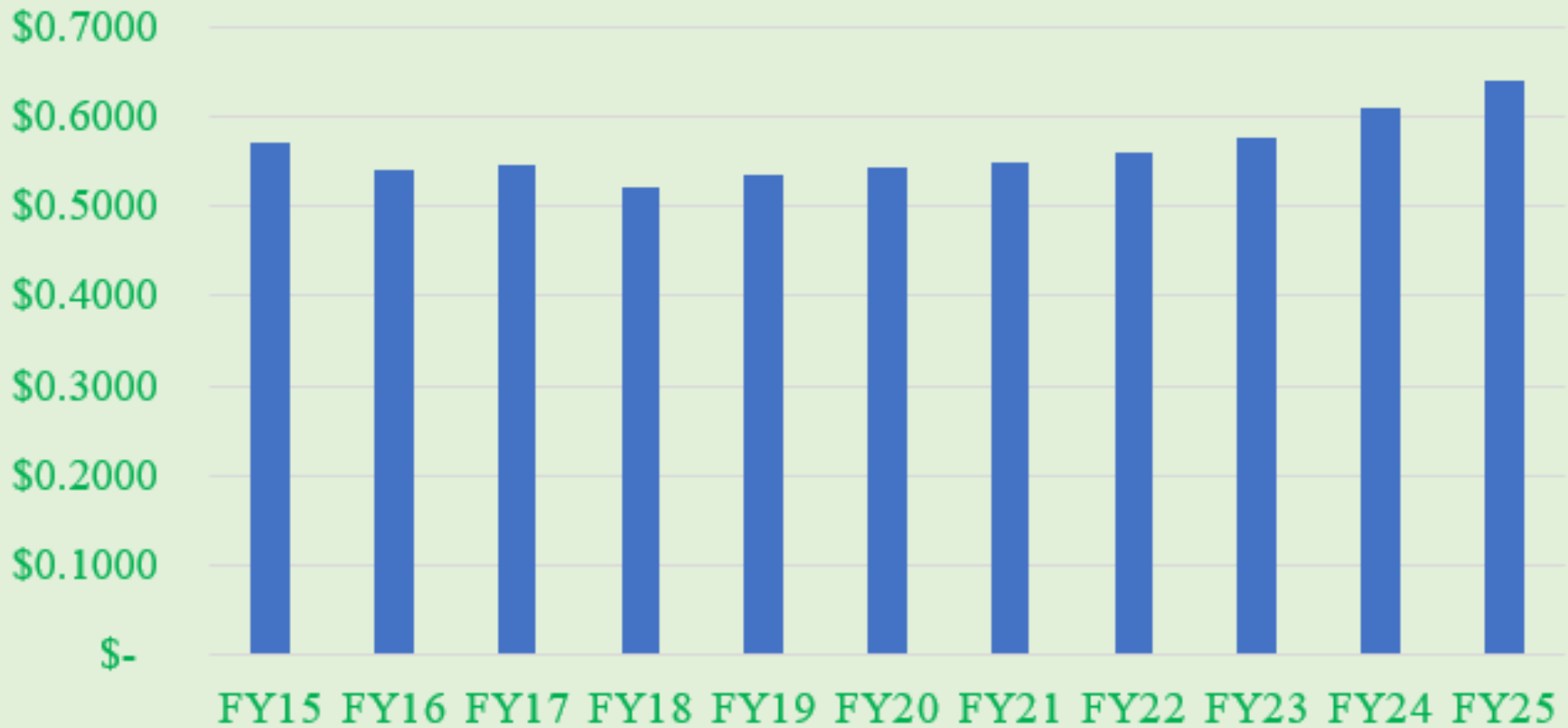
HOW DOES THIS IMPACT THE **MUNICIPAL SERVICES** PORTION OF YOUR TAX BILL COMPARED WITH FY25?

<i>Estimated Municipal Services Property Tax Increase (Compared to FY25)</i>			
Assessed Value	200,000	300,000	400,000
Annual	\$64	\$96	\$128
Monthly	\$5.32	\$7.98	\$10.63
Weekly	\$1.23	\$1.84	\$2.45

FY26 Estimated Tax Rate: \$0.6700
(per \$100 of assessed value)

4.86% Municipal Services Tax Rate Increase
Compared with FY25

Municipal Services Tax Rate



Municipal Services Tax Rate increased 11.8% from FY25 compared with FY15, both in the municipal services tax rate, and the amount paid in municipal services taxes.

For context, the Consumer Price Index (CPI), in that same time period, increased 28.2%

Additional Resources included in FY26 Municipal Services Budget to Maintain Current Level of Services: +\$124,151

☐ Increase in Stipends for Volunteer Firefighters: +\$56,751

- In an effort to retain the volunteer membership within Colchester Fire Department, we have implemented many positive changes, and explored other ways to recognize the service and commitment of folks who serve as volunteer firefighters, including increasing the stipend for when they are responding to calls.

☐ One (1) Half-Time Position, with benefits, in Assessor's Office: +\$43,400:

- Assessor's Office currently has 1.5 employees
- Town-wide reappraisal will require additional staff resources in the Assessor's Office.
- Selectboard's goal is to reduce costs moving forward by conducting rolling reappraisal vs. mass reappraisal every 10 years.
- Addition of 20 hours/week in the Assessor's office will create this second full-time position, with benefits, and allow for transition to rolling reappraisal in future.

☐ Transitioned Two DPW-Highway Employees from Maintenance I to Maintenance II: +\$12,000

- Recognition of staff that have gained the skill and ability to operate heavy equipment, providing a benefit to the Town by having more than one person able to operate large equipment when needs arise.

☐ Increased Hours for a Library Staff Person from 35 to 40 Hours Per Week: +\$12,000

- Addition of 5 hours/week for one staff person, as well as an increased employer share of benefits.
- Allows Colchester Burnham Library staff to better support the community programming needs.

Other Significant External Costs Impacting the FY26 Municipal Services Budget: \$497,038

- **Increased costs for Health Insurance: +\$322,543**
 - Health carrier raised its rates by 14%.
 - These costs would have been much higher had we not negotiated directly with multiple insurance companies and utilized a high deductible plan.
- **Increased costs for Capital Transfers: +\$66,000**
 - This amount will be used toward the replacement costs for the Creek Farm Bridge, that is offset by a \$66,000 decrease for Selectboard Contingency.
- **Increased costs for Services & Utilities: +\$62,562**
 - \$19,261 – Primarily due to increased costs for Howard Community Outreach program due to loss of \$160,000 in funding that was previously provided by the VT Department of Mental Health to support this program since its inception.
 - \$3,050 – Additional costs for personnel development for new DPW-Admin staff.
 - \$28,430 - Increased costs for utilities, including streetlights and associated maintenance costs, as well as for hazardous tree removal throughout the Town right-of-way.

Other Significant External Costs Impacting the FY26 Municipal Services Budget:

➤ Increased costs for Services & Utilities, Cont'd:

- \$11,821 - Increased costs for facility repairs and maintenance of overhead doors at the maintenance facility, as well as the fuel island, and the state required testing of fuel tanks.

➤ Increased costs for Supplies & Parts: +\$27,255

- \$23,355 - Primarily due to increased costs for tires due to supply chain disruptions, as well as higher prices for the asphalt that is used to fill potholes and make small roadway repairs in DPW-Highway.
- \$3,900 – Replacement of personal protective equipment/turn-out gear for Fire, as required by OSHA.

➤ Increased Fees for Public Transportation Services: +\$18,678

- GMT ADA fees increased by \$16,531 due to increased usage.
- GMT fixed-route services (Route 15 & Route 7) increased by \$2,147.

External Cost Decreases that Partially Offset Increases: **-\$111,358**

❑ **Decreased costs for Services & Utilities (Selectboard): **-\$108,958****

- Selectboard: Not budgeting use of fund balance for Selectboard Contingency in FY26 in order to transfer those funds toward the replacement of the Creek Farm Bridge. **-\$66,000**
- Manager's: Reduction in planned expenditures for personnel development. **-\$9,500**
- Economic Development: Elimination (temporary) of costs for producing Colchester brochures. **-\$6,300**
- Planning & Zoning: Decreasing expense line for technology to reflect actuals. **-\$9,550**
- Fire: Decrease in fuel costs based on projections, as well as a reduction in training expenses based on actuals, that offset increased costs for vehicle maintenance and supplies. **-\$8,500**
- Parks: Decreases in utilities, fertilizer and rental equip to offset increases in contractual services, and repair/maintenance. **-\$2,611**
- Library: Decrease in maintenance lines to better align with actuals, as well as adjustments to a vendor contract for digital services to reduce costs, all which offset cost increases from other services. **-\$6,497**

❑ **Decreased costs for Equipment: **-\$2,400****

- Fire: Primarily due to decreased costs for combining phone and internet services for all stations that offset increased costs for the gradual replacement of aging radios. **-\$2,400**

Fiscal Sustainability

- Secured \$1,542,765 in grants supporting 29% of Town's FY 25 capital expenses
 - Working to Secure \$7,110,286 in grants to support 45% of the Town's capital expenses from FY 26-FY 30
- Continued careful management of the budget in FY 24 allowed revenues to exceed expenses
 - \$392,000 in fund balance will be used as revenue in FY 26, to offset municipal services tax increase.
- Renegotiated agreement with Green Mountain Transit, saving \$15,000 (30%) annually
- Avoided a 29.8% increase in healthcare costs by aggressively negotiating and utilizing high deductible plan
- Operating Colchester Rescue more like a business allows us to adjust staffing up and down as service needs grow and contract with the market. In recognition of the success of this practice, it has gradually required fewer municipal services tax dollars each year. In FY26, it is projected to generate 100% of its own operating costs.

Public Safety Services represent 42% of the FY26 Municipal Services Budget

Colchester Rescue

- ❑ Rescue continues to be a model that other rescue services in the area strive toward.
- ❑ Leadership within the department, past and present, have fostered a culture that continues to produce a waiting list of volunteers eager to become part of it, and receive the quality training that Colchester Rescue provides.
- ❑ Revenue received by Colchester Rescue has resulted in a gradual decrease each year for the municipal services tax dollars required to support the operations of this service.
- ❑ In FY26, Colchester Rescue is expected to generate 100% of the revenue needed for its operating expenses.

Public Safety Services represent 42% of the FY26 Municipal Services Budget

Colchester Fire

- ☐ Significant efforts have been made to recognize the service and commitment volunteer firefighters provide to the community.
- ☐ Working to foster a positive culture within the department and with our partners in St. Michael's Fire.
- ☐ Ensuring current and new members receive the necessary training they need.
- ☐ Creating and updating policies and procedures within the department to help guide their service.

Public Safety Services represent 42% of the FY26 Municipal Services Budget

Colchester Technical Rescue

- ❑ Comprised of volunteers.
- ❑ Recognized throughout the state for their water and ice rescue and recovery efforts, as well as other hazardous terrain rescues within Colchester and throughout Vermont.
- ❑ Performs 30-40 activations per year, some of which are statewide responses.
- ❑ National deployments, which can last for weeks at a time, and can include Colchester Technical Rescue Volunteers, vehicles and equipment, are now deployed under the State of Vermont Urban Search and Rescue

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Colchester Police

- ❑ Significant change occurred over past several years with the retirement of long-serving members of the department, including its leadership.
- ❑ Hired a new Chief that had grown through the ranks in this department, and promoted others into leadership positions – all who embody the high standards, ethic and integrity that this department holds dear.
- ❑ Created civilian positions that are now responsible for evidence collection, and the supervision and support of the Records Clerks and Public Safety Dispatch.

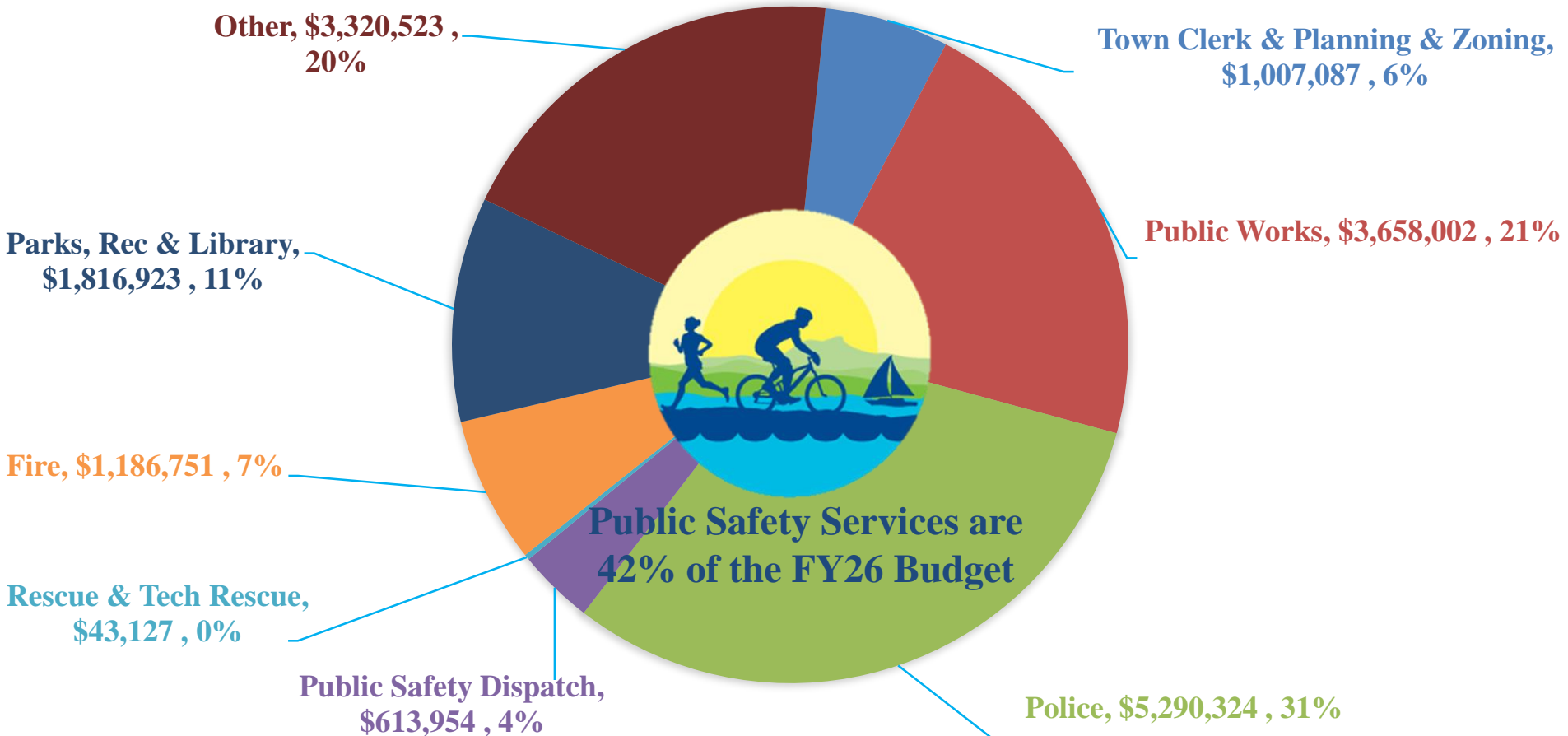
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Colchester Public Safety Dispatch

- ❑ Dispatch is a key function of public safety, connecting emergency calls with the public safety responders.
- ❑ Support Services Manager, which is a new civilian leadership position within the Police Department, provides direct oversight and support to the Records Clerks and Public Safety Dispatch.
- ❑ We are grateful for a dedicated group of core dispatchers who have chosen public safety as their profession, and provide training and mentorship to new dispatchers that join the department.

FY26 BUDGET FOR YOUR TOWN SERVICES

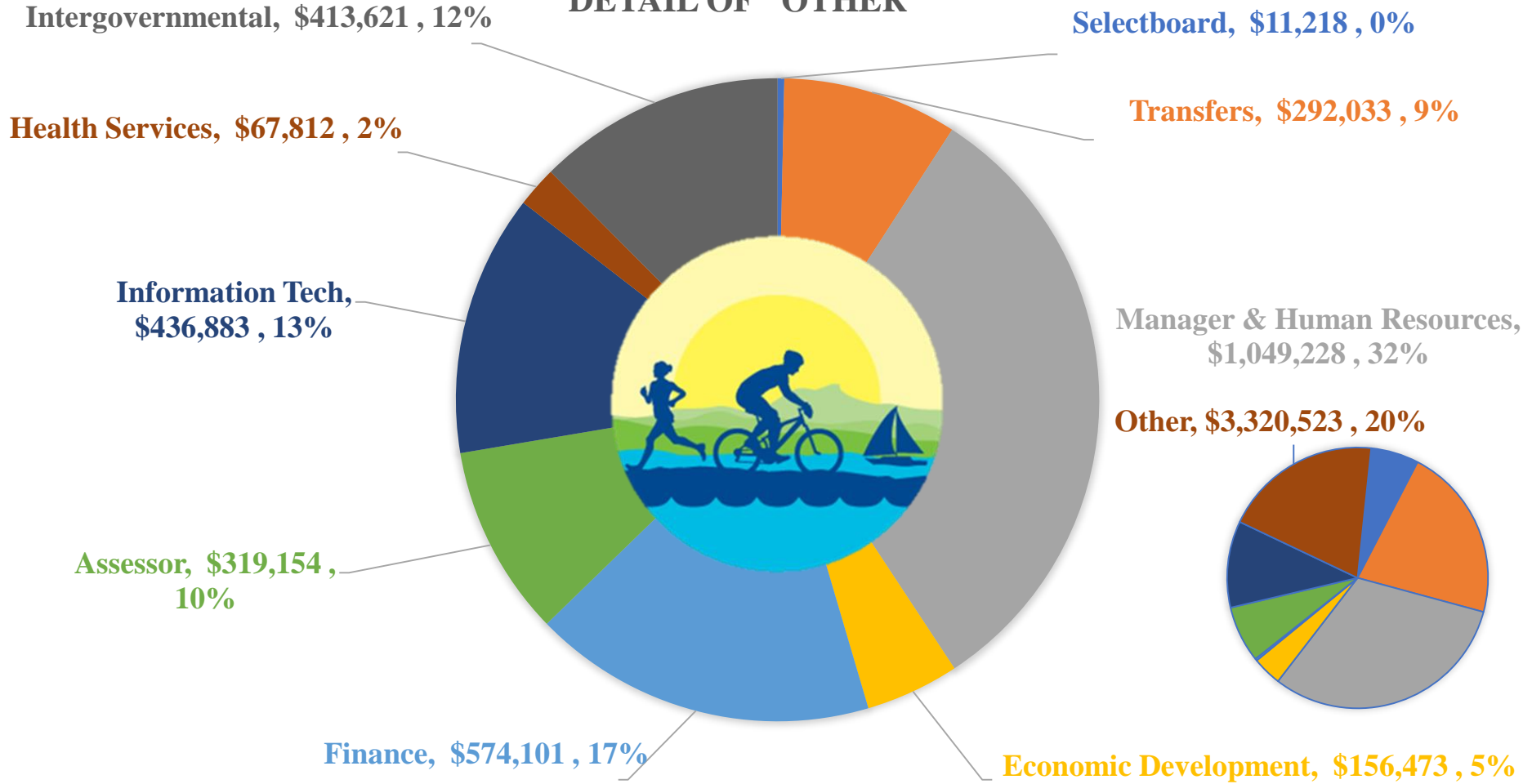
\$16,936,693



DETAIL OF "OTHER"

\$3,320,523

DETAIL OF "OTHER"





Revenues

A. Non-Tax Revenues from Fee Based Services - \$ 2,296,253

- consider ability of fee based services to self support
- increased \$104,230 or 4.8%

B. Prior Year Tax Revenues - \$392,000

- increased by \$41,000 or 11.7% to offset FY26 tax rate

C. Property Taxes Last dollar in - \$14,248,439

- Selectboard sets dollar amount in December – January
- Elected Listers determine property value in mid-June
- Selectboard sets tax rate in late June

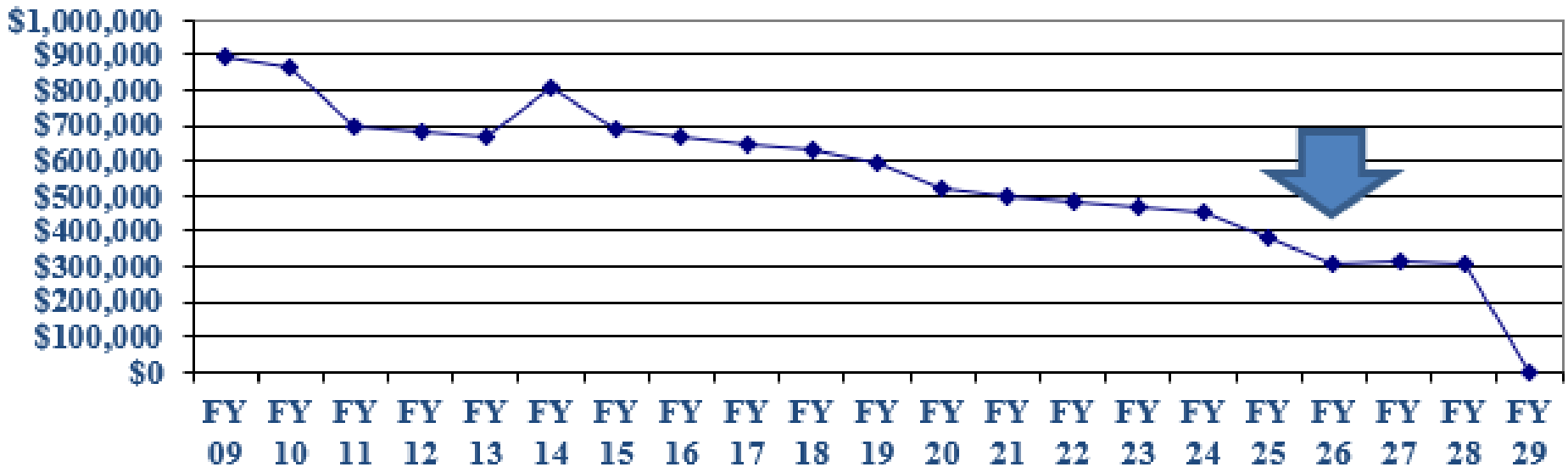


Capital Plan Authorizations

Multi-Year Capital Funding Authorizations

Local Funding Programs	Year Authorized	Authorization Term	Funding Method
Capital Vehicles, Equipment & Facilities Plan	2017	2032	Fixed Rate (\$0.0183) FY 26 \$420,761
Capital Transportation Plan	2022	2028	Fixed Rate (\$0.023) FY 26 \$528,825
Park Capital Plan	2022	2028	Fixed Rate (\$0.005) FY 26 \$113,775
Public Safety Plan	2021	2026	Reserve \$30,750/yr.
Technology Fund	2020	2025	Reserve \$35,000/yr.
Communications Fund	2020	2025	Reserve \$25,500/yr.
Total Local Capital			FY 26 \$1,154,611

General Fund Debt Service



FY 26 Debt Service: \$308,708 (paid entirely from revenue generated from the Local Option Tax, not municipal services taxes).

All existing debt will be paid off in FY28. Local Option Tax Revenue will be used to pay for Colchester Recreation Center Debt Service of \$6,907,000 over ten years, beginning in FY 26.

Tax Rate for Town Municipal Services Tax

Municipal Services Budget	\$16,936,693
- Non Tax Revenues	(\$2,688,253)
+ Voter Approved Capital	\$1,154,611
<u>- Local Option Tax funded Capital (\$308,708)</u>	
Total	\$15,403,051

Divided by Grand List **\$22,992,407**

Estimated Town Municipal Services Tax Rate
\$0.6700

Comparison – Inner Chittenden County Municipal Services Taxes per Resident

Williston	\$ 758
Colchester (2nd lowest)	\$ 829
Essex (Town)	\$ 1,034
Winooski	\$ 1,039
Essex (City)	\$ 1,056
South Burlington	\$ 1,093
Burlington	\$ 1,096
Average	\$ 986



2024-25 MUNICIPAL TAX RATES FROM TOWN LISTER/ASSESSOR'S DATA
Colchester is approximately 15% below average for inner Chittenden County.

HOW DOES THIS IMPACT THE **MUNICIPAL SERVICES** PORTION OF YOUR TAX BILL COMPARED WITH FY25?

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(per \$100 of assessed value)

4.86% Municipal Services Tax Rate Increase
Compared with FY25



Colchester
VERMONT

Questions?



Colchester
VERMONT



Thank You!