



Town of Colchester
Draft FY 23 Budget – December 14, 2021

TAX IMPACT

2.5% Estimated Tax Increase to Town Municipal Services Tax Proposed by Town Mgr. to Selectboard

Residential Assessed Value	FY 23 Tax Increase	Weekly Increase
\$200,000	\$28	\$0.54
\$250,000	\$35	\$0.68
\$300,000	\$42	\$0.81
\$350,000	\$49	\$0.95
\$400,000	\$56	\$1.08
\$450,000	\$63	\$1.22



Budget Approach

1. Expenses

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

2. Non-Tax Revenues

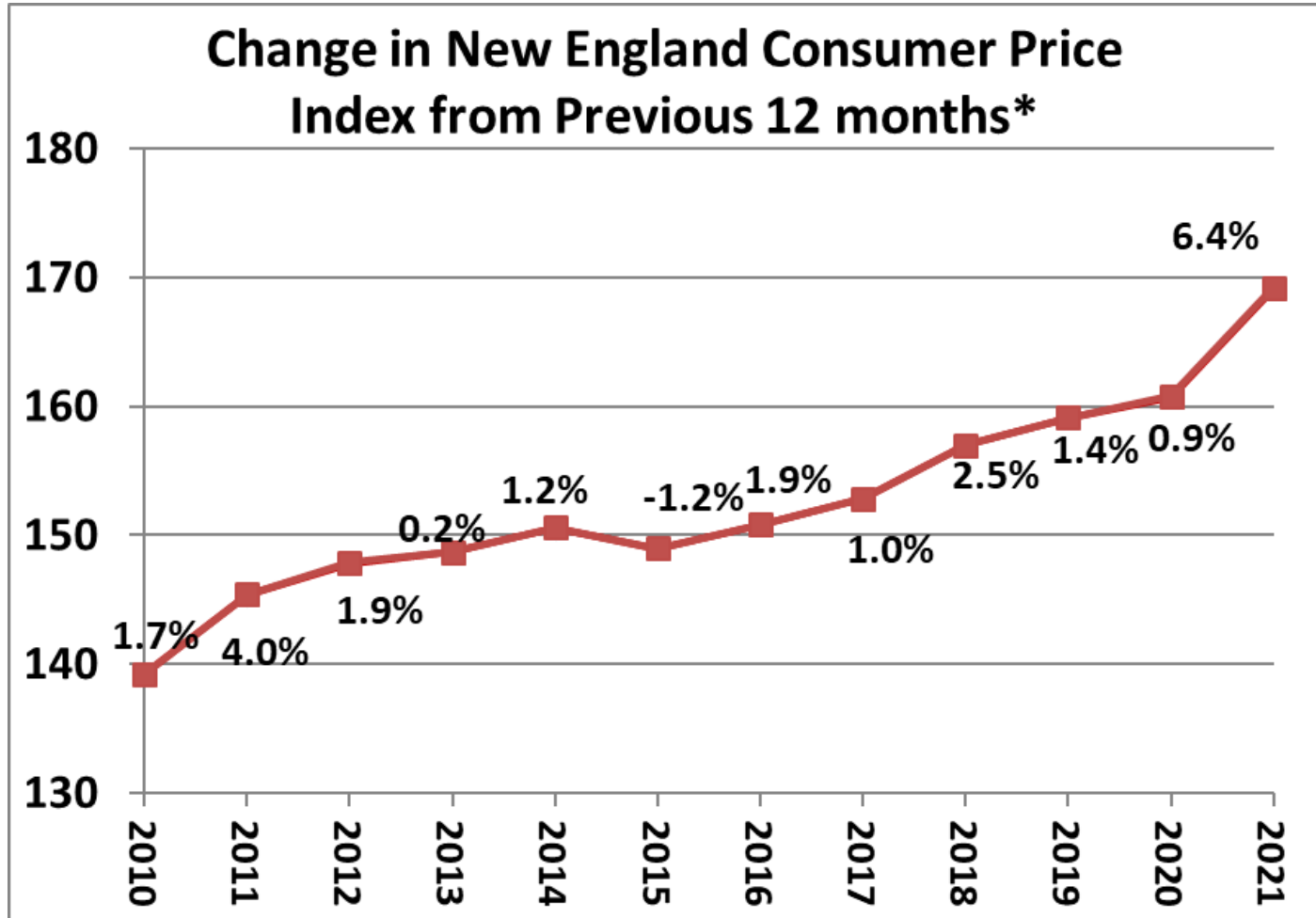
- Maximize non-tax revenues
- Revenues must grow at same or greater rate than taxes
- Avoid one-time revenues for recurring operating expenses
 - Causes abrupt end to services or Tax Spike when grant ends

3. Property Taxes

Last dollar in

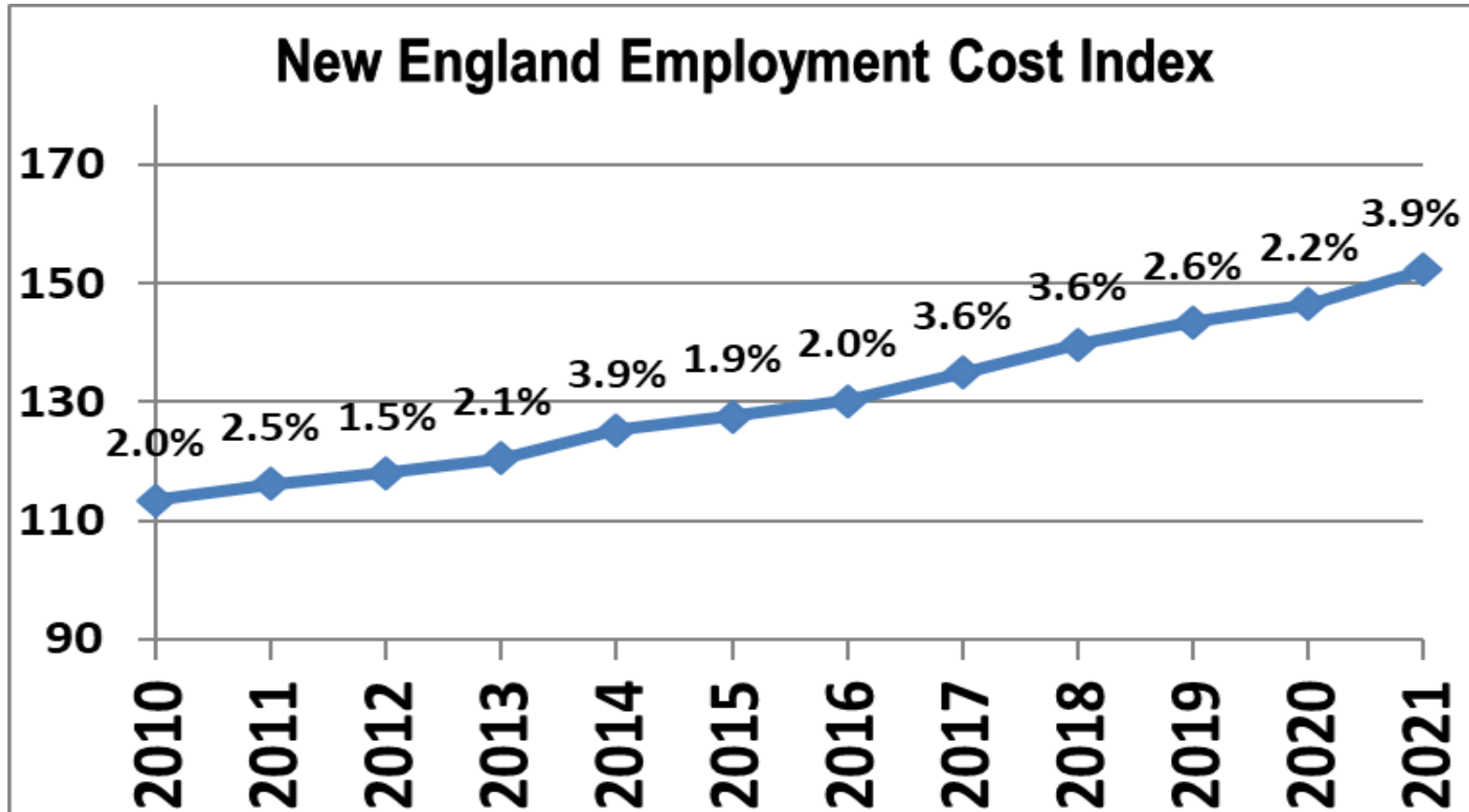
- Selectboard sets dollar amount in December – January
- Elected Listers determine property value in mid-June
- Selectboard sets tax rate in late June

Regional Trends



* CPI = CPI-W, NE Urban, Class B/C, all items, October of each year

Regional Trends



US Department of Labor, Bureau of Labor Statistics, October of each year

Total compensation (wages, salaries and employer costs for employee benefits) for Private industry workers in New England, Index



FY23 Overview

Proposed FY 23	FY 22	% Change From FY 22	\$ change from FY 22
\$ 13,880,217	\$ 13,482,862	2.9%	\$ 397,354

Twenty-five service areas:

- Four reduced and twenty-one increased

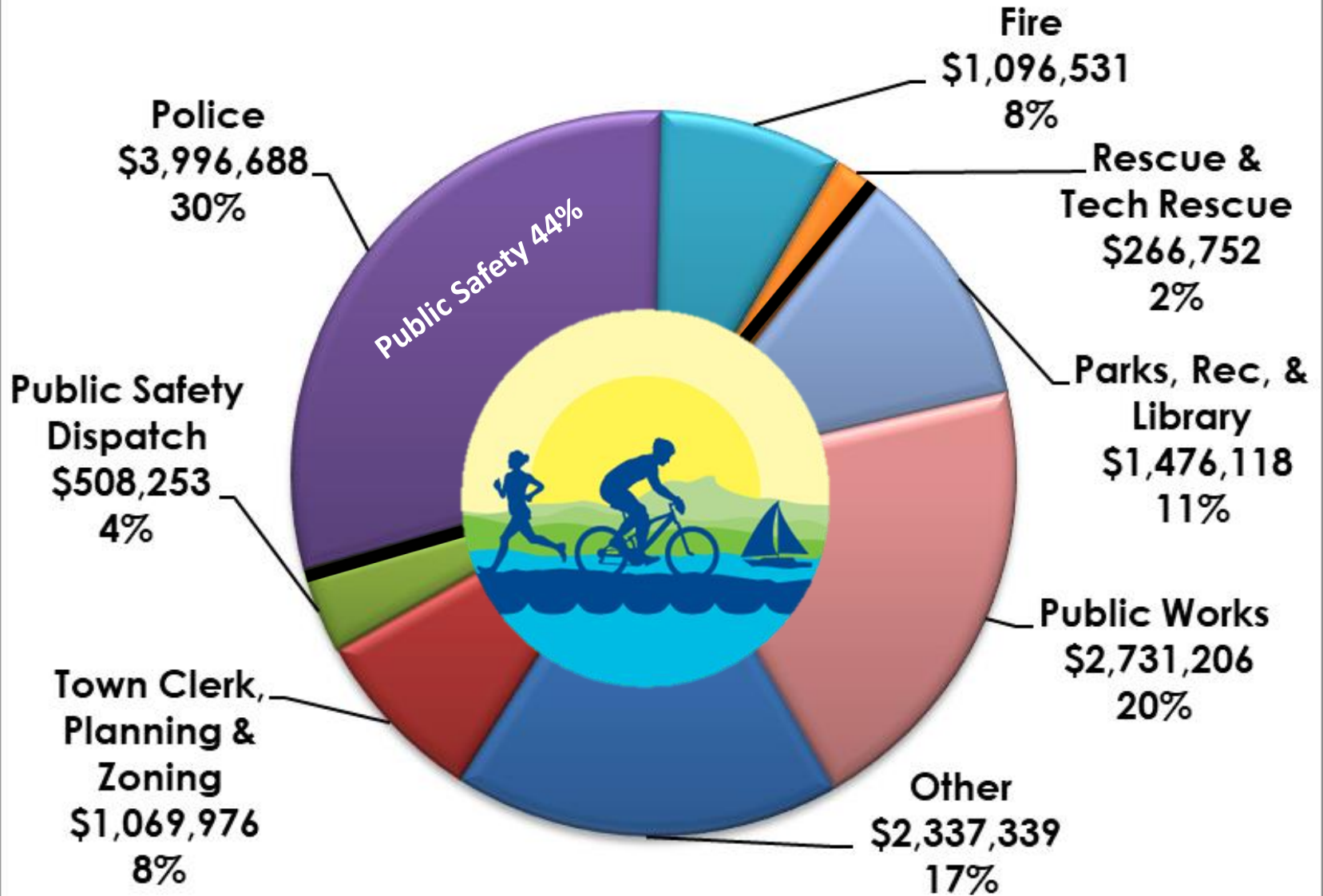
Service Level Changes Included in Proposed Budget:

- Library Digital Collection expansion: + \$10,000
- Public Tree Maintenance Advice to plan for Emerald Ash Borer and Gypsy Moths: + \$10,000
- Howard Community Outreach staff: move from 4 to 6: + \$8,141
- Employee Safety Program: + \$8,100
- Town-wide employee training: + \$10,000
- Second full time mechanic for fire vehicles and equipment and to better keep up with 110 vehicles/large equipment and 89 smaller equipment: + \$50,730
- Permit reform changes: - \$157,500

Fiscal Sustainability

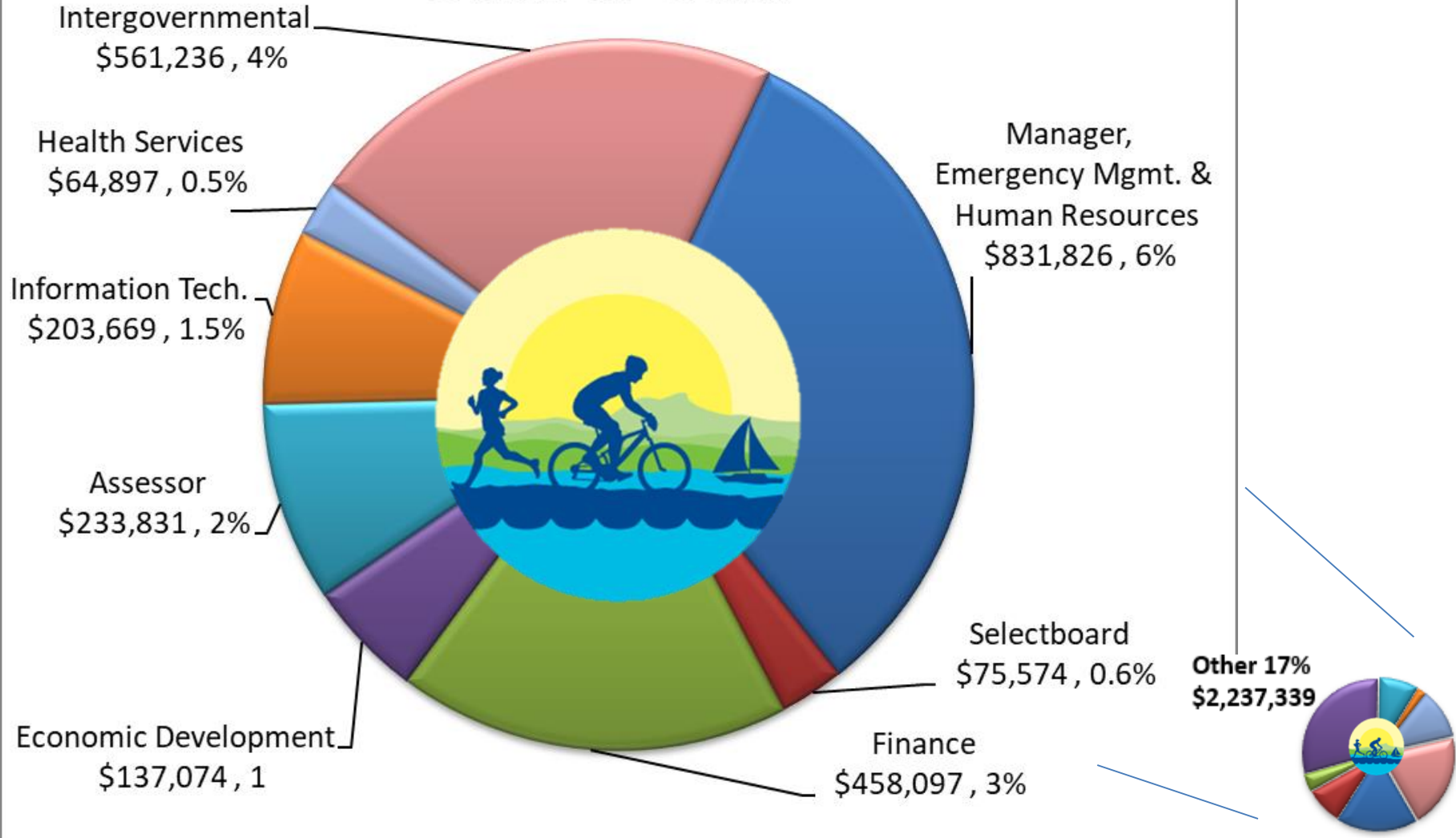
- Renegotiated agreement with Green Mountain Transit, saving \$15,000 (30%) yearly
- Avoided a 16% increase in healthcare costs by aggressively negotiating and using high deductible plan
 - Resulting in town share of health care increase of 6.7%
- Layoffs, furloughs and spending freeze in FY 21 allowed revenues to exceed expenses by \$266,457
 - Will be used as revenues in FY 23 to offset tax increases
- Reverted Colchester Causeway to State ownership
 - State now responsible for portions both north and south of the “cut,” should future damage occur, relieving town from up to \$20M in uninsurable losses
- Secured \$750,000 in grants supporting 29% of town FY 22 capital expenses
 - Working to Secure \$2.8M in grants to support 27% of the town’s capital expenses from FY 23-FY 27
- Obtained grants and contracts for COVID costs and revenue lost: \$1,018,910
 - State of VT (federal FEMA \$) for COVID expenses: \$25,863
 - State of VT (federal \$) for extra COVID expenses: \$348,009
 - State of VT (federal \$) Library Supplies and equipment: \$25,724
 - State of VT (federal \$) to maintain limited Recreation & child care programs: \$440,836
 - Pre-COVID annual expenses about \$1.1M, we are now at 75% of pre-COVID staff
 - State of VT: Providing training at Police Academy: \$4,863
 - Federal Funds for Rescue Expenses: \$70,774
 - State of VT (federal \$) for Rescue working at State vaccination and testing sites: \$94,387
 - Private Grant: Center for Technology and Civic Life Town Clerks Election Safety \$8,454
- **The FY 22 tax rate--and dollars paid for municipal (town) services in Colchester by the same household, are less than in 2014**

FY23 Budget for Your Town Services



FY23 Budget for Your Town Services

Detail of "Other"





Revenues

A. **Non-Tax Revenues from Fee Based Services - \$ 1,805,654**

Consider ability of fee based services to self support
Should not grow at slower rate than property taxes
Proposed increase of \$116,667 or 7%

B. **Prior Year Tax Revenues - \$324,333**

C. **Property Taxes Last dollar in - \$11,750,230**

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

Municipal Services Budget

\$13,880,217

- Non Tax Revenues:	(\$2,129,987)
+ Voter Approved Capital	\$1,559,413
<u>- Local Option Tax funded Capital</u>	<u>(\$467,912)</u>
Total	\$12,881,732

Divided by Grand List **\$22,467,634**

Est. Town Municipal Services Tax Rate \$0.5733

TAX IMPACTS

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Estimated Municipal Property Tax Impact (Compared to FY22)

Assessed Value	200,000	300,000	400,000
Annual	\$28	\$42	\$56
Monthly	\$2.33	\$3.50	\$4.67

Comparison – Inner Chittenden County Property Taxes per resident

Williston	\$	573
Essex Town	\$	652
Colchester (3rd lowest)	\$	726
Burlington	\$	835
Winooski	\$	815
So. Burlington	\$	892
Essex Jct.	\$	924
Average	\$	774



2020-21 MUNICIPAL TAX RATES FROM TOWN LISTER/ASSESSOR'S DATA
Colchester is 6% below average for inner Chittenden County.



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Budget Adoption Process

- Oct. 26 Selectboard Input to Manager on FY 23 Budget
- October Department Heads draft budgets
- Oct. 28 Departmental Budgets submitted to Finance Director and Mgr.
- Nov. 26 Mgr./FD develop budget for Selectboard
- Nov. 30 Manager and CFO provide overview of budget to Selectboard.
- Dec. 7 Selectboard finalizes Budget for warning
- Dec. 14 Manager formally presents to the Select Board. Selectboard warns a public hearing**
- Jan. 11 Selectboard holds public hearing on budget. Selectboard can approve budget for warning.
- Jan. 18 Last day for Selectboard to approve budget, if needed by special meeting
- Feb. 28 Town Meeting
- Mar. 1 Voting for annual budget effective July 1, 2022 – June 30, 2023



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Thank You!