

To: Selectboard  
From: Charles Safford, Town Manager  
Date: November 20, 2009  
Re: General Fund Letter of Transmittal



---

## GENERAL OVERVIEW

There are no additional services or regular full-time/part-time employees in the proposed budget. The budget reduces one of the Assistant Town Clerk's positions from 40 hours per week to 30 hours per week, and eliminates the Zoning Assistant position that was budgeted for 28.5 hours per week in FY 10.

On the revenue side the increase in surplus carry forward from \$566,811 to \$637,678. The risk in using the surplus carry forward is if FY 10 does not produce one at an equal or greater amount. Although I do not recommend it this year due to trying to keep the tax rate the same, and the general state of the economy, the Town should consider moving toward maintaining a 5% fund balance in the future.

## FINANCIAL OVERVIEW

Fund Balance: The General Fund had a fund balance of \$1,258,539 as of June 30, 2009. Of this amount, \$54,050 is reserved for inventory and prepaid expenses, leaving \$1,204,489. Of this amount, the Board appropriated \$566,811 of the surplus to offset FY 10 taxes, which leaves \$637,678 available in FY 11. It should be understood that this assumes the FY 10 General Fund Budget comes in on-line.

Grand List: For budgeting purposes, staff used a 0% growth in the Grand List. Stowe's Grand List is currently \$19,992,413.

Expenditures are proposed to decrease by \$ 71,000 (-.71 %). Revenues other than property taxes are proposed to decrease by \$68,198 (-2.23 %). This means the net budget is expected to decrease by \$2,798 (-.04 %). This will result in a decrease in the tax rate from \$.3506 to \$.3504 (-\$.0001 or -.04 %). For every \$100,000 in assessed value this will result in a decrease of \$ .10 in property taxes.

## General Fund Expenditures

Across the board projections that affect all departmental budgets are as follows:

1. A 5% increase in electricity has been predicted by Stowe Electric.
2. Salaries – Employees under the Personnel Rules and IBEW Agreement are in the budget at the minimum increase of 1.5% (the October CPI-U was +.2%). Increases for all Police employees are currently budgeted based on the minimum increase of 1.5%; however, this could increase if the December CPI-U is more than 1.5%.

3. Health and Dental Insurance – For the first 6 months, health insurance is budgeted to increase 1.8% and 8.0% for the VHP and VFP plans, respectively, based on our contract with BlueCross BlueShield of Vermont effective 1/1/10. An additional 7.5% increase is budgeted for the first 6 months in 2011. A 2.5 % Dental Increase is estimated in FY 11.
4. Worker’s Compensation – A 14 % increase has been estimated for the first 6 months, and an additional 14% has been budgeted for the second half of the fiscal year, as the trust operates on a calendar year. The 2010 rates should be finalized in December, and the budget will be adjusted to reflect any changes.
5. Prices for #2 fuel oil, diesel fuel, liquid propane and gasoline were estimated using a 3.25 % increase (CPI-U for fuel oil and other fuels averaged 3.25 % over the last three years, using the change from October 2008 to October 2009) over prices as of 10/31/09. Estimated prices per gallon are as follows:
  - #2 Heating Oil: \$2.37/gallon.
  - Diesel fuel: \$2.78/gallon
  - Liquid Propane: \$ 1.47/gallon.
  - Unleaded Gasoline: \$2.89/gallon

### **General Fund Expenditures**

Accounting (-\$256/-1.10%): Property tax reminder cards have been eliminated for an estimated annual savings of \$3,132.

Administration (-\$6,890/-1.96%): No major change.

Akeley Building (-\$5,486/-3.95%): No major change.

Auditors (+\$1,375/+3.76%): No major change.

Capital (+52,860/8.12%): See Capital Letter of Transmittal.

Cemetery (+\$2,700/+15.63%): The budget includes \$6,200 to “convert garage at Riverbank Cemetery to accommodate antique hearses currently housed in historic garage at Old Yard Cemetery. The gift of the old hearses to the town by the Stafford family was conditioned on the premise that the hearses would be on display for all to see. Since the renovation of the Old Yard garage has become controversial and expensive [\$40,000 +/-], the cemetery commission sought an alternative. The garage at Riverbank Cemetery can be easily modified to allow for both the safety and viewing of the hearses. The cost is based on a \$5,200 quote provided by Alan Boyea, plus \$1,000 for a security system.”

Conservation (-\$1,100/-7.24 %): No major changes.

Cultural Campus (+\$1,572/+4.53%): No major changes.

Debt Management (-\$157,059/-14.35%): The Town is not eligible to take out a tax anticipation note, eliminating the \$65,000 interest payment on the tax anticipation note that was estimated in the FY 10 budget. The Town is also done paying on the “road side mower” that was financed through a long term note. Finally, in 2006 the Town approved a \$105,000 bond vote to be issued “for the purpose of engineering and designing the Memorial Building expansion and renovation project.” To date, the town has drawn down on \$50,000 of that bond. Staff has recommended to the Selectboard to draw down the remaining \$55,000 to undertake the final design of the Akeley Building project in anticipation of a bond vote at the 2011 Annual Meeting. This would add \$1,124 in principle and interest in FY’11.

Elections (+\$3,168/+90.83%): There is a Primary Election in September 2010 and General Election in November 2010, in addition to the Town Meeting in March 2011.

EMS (+\$18,732/+5.28%): The cost for the Fire Department Building that Rescue was housed in was previously paid for out of the Fire Department Budget. The increase in Rescue is largely due to being allocated a portion of the new Public Safety Building Cost. Allocating the new building’s utility costs by department was determined by each department’s square footage.

Equipment Fund (\$0/0%): The following additions were made to the Equipment Fund for existing equipment that was omitted when compiling the original schedule – a second \$35,000 F-350 Dump truck for the Parks Department was added beginning in FY’13, with a 12-year life cycle; 16 Rescue 1, a \$300,000 Heavy Rescue Truck for the Fire Department was added beginning in FY’26 with a 30-year life cycle. Departmental staff represented that this was existing equipment that was inadvertently omitted from the Equipment Fund.

The Highway Department Caterpillar Wheelloader 1 was previously listed as a 1998 and scheduled for replacement in FY’13. It is actually a 1996, so the department requested it be replaced in FY’12 and the 2000 International Dump Truck be replaced in FY’13 instead.

These changes do not affect the funding levels necessary in the short term, but does cause the Fund to go negative in FY’27.

Fire (-\$20,845/-8.41%): Decrease is largely attributable to Rescue and Mountain Rescue getting assigned a portion of the new Public Safety Building Cost. Previously the Fire Department Budget paid the entire cost.

General Government (+\$23,748/+4.25%): \$10,000 was added for “Economic Development – Stowe Vibrancy” to fund their work to enhance the vitality of the village. By the Town making a contribution to their efforts, it will help with Stowe’s eligibility for “Downtown Designation.” This will give us access to economic development grant money from the “Downtown transportation fund and related capital improvement fund”

that we are not eligible for as a designated village center (maximum grant per year \$75,000).

The Lamoille County Sheriff's budget was estimated to increase 9.2%; however, the actual budget should be available in December. The Lamoille County Tax was reduced \$9,525, which is the current estimate from the County Courthouse.

Highway (-\$70/0%): The position of Village Caretaker and Senior Village Caretaker are proposed to be eliminated and replaced with two Truck Driver/Laborer positions. Having Truck Driver/Laborers with CDL licenses gives us greater operational flexibility.

The Village Caretaker is currently working towards obtaining his Commercial Driver's License, making him eligible to be classified as a Truck Driver/Laborer. Another Truck Driver/Laborer has been trained to become a grader operator and is eligible to be promoted to Equipment Operator. Both employees have been budgeted for accordingly.

The grass, trees and flowers that Highway presently takes care of is proposed to be taken care of by the Parks Department by adding another temporary seasonal employee. The Highway Department will continue to take care of the roads and sidewalks. This will allow each Department to focus on their respective areas of expertise.

The amount of sand to be purchased has been reduced and the amount we propose to take out of the Town Pit has been increased. At some point, when the available sand runs out, this cost to purchase larger amounts of sand will have to be reflected in future years budgets.

Historic Preservation (-\$5,400/-100%): This has been moved into the Planning Department Budget. It historically has been a minor amount of money and the Town Planner staffs the Historic Preservation Commission. Merging the budget helps to save money by not duplicating line items (e.g. money set aside for grant matches).

Insurance (+\$8,698/+5%): A 5 % increase has been estimated for Liability Insurance. The 2010 rates should be finalized in December, and the budget will be adjusted to reflect any changes.

Library (-\$3,935/-.82%) No major changes.

Listers (+\$590/+49%): No major changes.

Mountain Rescue (+\$3,321/+19.6%): The increase is largely due to Mountain Rescue paying a portion of the new Public Safety Building operating expense. In the past the Fire Department Budget picked up the entire expense.

Parks (+\$19,851/+2.99%): The special contract with the Electric Department has expired and the Town is no longer eligible for the previous rate classification causing the Jackson Arena Electricity cost to increase from \$37,312 to \$69,600.

The grass, trees and flowers that Highway presently takes care of is proposed to be taken care of by the Parks Department by adding another temporary seasonal employee. The Highway Department will continue to take care of the roads and sidewalks. This will allow each Department to focus on their respective areas of expertise.

The maintenance of flowers used to be taken care of through a private contract at a cost of \$10,000 per year. In lieu of this \$4,000 has been added to the Parks Department to take care of them in-house.

Planning (+3,926/+3.71%): Historic Preservation has been merged into the Planning Budget.

Police (+\$57,595/+3.6%): No major changes other than salaries and benefits.

Public Works (+\$629/.27%): Reduction in the amount of outside consulting time from \$10,000 to \$5,000.

Recreation (-\$15,400/-3.5%): Reduction is primarily due to an employee changing from a 2-person plan to a single plan, and another from a family plan to a single plan.

Solid Waste (\$0/0%): No changes.

Street Lights (+\$3,561/7.59%): No major changes other than the projected increase in electricity.

Town Clerk (-\$16,971/-6.34%): The change is primarily due to the reduction in a full-time clerk position from forty hours per week to thirty hours per week.

Zoning (-\$39,866/-23.62): The change is primarily due to the elimination of the Zoning Assistant position.

### **General Fund Revenues**

Accounting (-\$75,945/-68.38%): Interest rates have gone down from 3.2% in 2009 to current rates between .25% and 1.00%.

Administration (+\$1,421/+3.3%): No major changes.

Akeley Memorial Building (\$0/0): No major changes.

Auditors (-\$200/-2.78%): No major changes.

Capital (+\$50,000/+9.17%): See Capital Letter of Transmittal.

Cemetery (\$0/0%): No major changes.

Conservation (\$0/0%): No major changes.

Debt Management (-\$125,000/-100%): The Town is not eligible to take out a tax anticipation note. This reduced the arbitrage revenue by \$125,000.

EMS (+\$3,780/+1.49%): No major changes.

Fire (\$0/0%): No major changes.

General Government (\$0/0%): No major changes.

Highway (+\$7,000/+4.21%): No major changes.

Historic Preservation (-\$2,000/-100%): This has been moved into the Planning Department Budget.

Insurance (\$0/0%): No major changes.

Library (-\$4,500/-12.93%): Removal of \$4,500 of the revenue given to the Library by the Friends of the Library, a separate 501(c)3 organization. This loss in revenue was offset by a corresponding reduction in the materials expense budget as the Friends will be covering the purchase of these materials.

Listers (\$0/0%): No major changes.

Mountain Rescue (-\$250/-33.33%): No major changes.

Parks (-\$6,675/-4.01%): The reduction is primarily due to the loss of NAHA & VT Glades to other rinks.

Planning (+1,500/+%): Historic Preservation has been merged into the Planning Budget.

Police (-\$413/-.32%): No major changes.

Public Works - Administration (\$0/0%): No major changes.

Recreation (+\$2,523/+1.71%): No major changes.

Surplus Carry Forward (+\$70,867/+12.50%): In accordance with the Board's past practice, proposes to use the entire fund balance to lower the tax rate.

Town Clerk (+\$17,690/11.23%): Recording fees increased \$1/page 7/1/09.

Zoning (\$-7,996/-14.70%): The Selectboard approved increase in Zoning fees has produced a 25% increase from the FY'09 actual revenues; however permit activity for FY'11 is projected to be similar to the current year, which actually drives revenues down.

**TOWN OF STOWE  
COMPARATIVE BUDGET SUMMARY SHEET**

**TOTAL OPERATING EXPENDITURES**

Department	FY 08 Adopted Budget	FY 08 Actual	FY 09 Adopted Budget	FY 09 Actual	FY 10 Adopted Budget	FY 11 Budget Request	FY 10 - FY 11 \$ Change (Decrease)	FY 10 - FY 11 % Change (Decrease)
Accounting	\$ 222,801	\$ 224,086	\$ 232,891	\$ 231,706	\$ 257,654	\$ 257,398	\$ (256)	-0.10%
Administration	\$ 309,365	\$ 320,472	\$ 343,103	\$ 300,324	\$ 351,381	\$ 344,491	\$ (6,890)	-1.96%
Akeley Memorial Building	\$ 141,388	\$ 126,835	\$ 139,747	\$ 130,549	\$ 138,759	\$ 133,273	\$ (5,486)	-3.95%
Auditors	\$ 36,994	\$ 34,166	\$ 39,732	\$ 40,291	\$ 36,615	\$ 37,990	\$ 1,375	3.76%
Capital (Including Local Option Tax Projects)	\$ 1,746,405	\$ 958,225	\$ 1,037,871	\$ 1,869,456	\$ 651,140	\$ 704,000	\$ 52,860	8.12%
Cemetery	\$ 16,258	\$ 8,517	\$ 17,419	\$ 7,287	\$ 17,275	\$ 19,975	\$ 2,700	15.63%
Community Affairs	\$ 57,807	\$ 57,664	\$ 61,340	\$ 60,278	\$ 60,032	\$ 60,032	\$ -	0.00%
Conservation	\$ 15,400	\$ 22,347	\$ 15,200	\$ 7,262	\$ 15,200	\$ 14,100	\$ (1,100)	-7.24%
Cultural Campus	\$ -	\$ -	\$ 25,115	\$ 27,911	\$ 34,727	\$ 36,299	\$ 1,572	4.53%
Debt Management	\$ 904,263	\$ 938,493	\$ 840,209	\$ 690,810	\$ 1,094,476	\$ 937,417	\$ (157,059)	-14.35%
Elections	\$ 3,618	\$ 3,132	\$ 7,664	\$ 7,224	\$ 3,488	\$ 6,656	\$ 3,168	90.83%
Emergency Management	\$ 3,461	\$ 2,879	\$ 2,750	\$ 2,618	\$ 2,678	\$ 2,629	\$ (49)	-1.83%
EMS	\$ 328,360	\$ 302,809	\$ 329,413	\$ 329,963	\$ 355,100	\$ 373,833	\$ 18,732	5.28%
Equipment Reserve Fund	\$ -	\$ -	\$ -	\$ -	\$ 370,000	\$ 370,000	\$ -	0.00%
Fire	\$ 255,302	\$ 206,508	\$ 276,021	\$ 256,115	\$ 247,899	\$ 227,054	\$ (20,845)	-8.41%
General Government	\$ 485,561	\$ 486,048	\$ 560,849	\$ 559,095	\$ 559,115	\$ 582,863	\$ 23,748	4.25%
Highway	\$ 1,432,846	\$ 1,473,512	\$ 1,513,871	\$ 1,384,972	\$ 1,551,413	\$ 1,551,343	\$ (70)	0.00%
Historic Preservation	\$ 8,000	\$ 390	\$ 6,700	\$ 1,385	\$ 5,400	\$ -	\$ (5,400)	-100.00%
Insurance	\$ 194,552	\$ 165,427	\$ 143,889	\$ 162,546	\$ 173,957	\$ 182,655	\$ 8,698	5.00%
Library	\$ 455,940	\$ 462,287	\$ 447,719	\$ 460,390	\$ 481,731	\$ 477,796	\$ (3,935)	-0.82%
Listers	\$ 120,990	\$ 116,555	\$ 115,013	\$ 128,441	\$ 119,784	\$ 120,374	\$ 590	0.49%
Mountain Rescue	\$ 17,739	\$ 34,553	\$ 16,897	\$ 16,054	\$ 16,940	\$ 20,261	\$ 3,321	19.60%
Parks	\$ 674,347	\$ 589,137	\$ 675,360	\$ 624,036	\$ 664,209	\$ 684,060	\$ 19,851	2.99%
Planning	\$ 101,738	\$ 92,436	\$ 102,106	\$ 94,975	\$ 105,841	\$ 109,767	\$ 3,926	3.71%
Police	\$ 1,527,793	\$ 1,460,154	\$ 1,572,152	\$ 1,510,799	\$ 1,599,103	\$ 1,656,698	\$ 57,595	3.60%
Public Works - Administration	\$ 169,561	\$ 165,147	\$ 215,681	\$ 190,293	\$ 229,590	\$ 230,219	\$ 629	0.27%
Recreation	\$ 410,272	\$ 392,461	\$ 432,658	\$ 418,524	\$ 439,736	\$ 424,336	\$ (15,400)	-3.50%
Recreation Commission	\$ 2,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Solid Waste	\$ 600	\$ 1,050	\$ 550	\$ 550	\$ 550	\$ 550	\$ -	0.00%
Street Lights	\$ 47,500	\$ 42,935	\$ 56,284	\$ 44,961	\$ 46,943	\$ 50,504	\$ 3,561	7.59%
Town Clerk	\$ 252,338	\$ 244,236	\$ 248,503	\$ 247,550	\$ 267,616	\$ 250,645	\$ (16,971)	-6.34%
Zoning	\$ 168,943	\$ 163,227	\$ 191,746	\$ 138,023	\$ 168,788	\$ 128,923	\$ (39,866)	-23.62%
<b>EXPENDITURE TOTAL:</b>	<b>\$ 10,112,150</b>	<b>\$ 9,090,909</b>	<b>\$ 9,694,836</b>	<b>\$ 9,944,388</b>	<b>\$ 10,067,137</b>	<b>\$ 9,996,141</b>	<b>\$ (71,000)</b>	<b>-0.71%</b>

**TOTAL OPERATING REVENUES**

Department	FY 08 Adopted Budget	FY 08 Actual	FY 09 Adopted Budget	FY 09 Actual	FY 10 Adopted Budget	FY 11 Budget Request	FY 10 - FY 11 \$ Change (Decrease)	FY 10 - FY 11 % Change (Decrease)
Accounting	\$ 65,200	\$ 262,481	\$ 120,450	\$ 34,659	\$ 111,070	\$ 35,125	\$ (75,945)	-68.38%
Administration	\$ 365,800	\$ 450,363	\$ 379,800	\$ 546,270	\$ 471,945	\$ 473,366	\$ 1,421	0.30%
Akeley Memorial Building	\$ 2,800	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ -	0.00%
Auditors	\$ 8,000	\$ 7,058	\$ 7,500	\$ 9,959	\$ 7,200	\$ 7,000	\$ (200)	-2.78%
Capital (Including Local Option Tax Revenue)	\$ 1,141,900	\$ 753,865	\$ 554,400	\$ 1,046,839	\$ 545,218	\$ 595,218	\$ 50,000	9.17%
Cemetery	\$ 625	\$ 1,005	\$ 1,200	\$ 1,185	\$ 1,200	\$ 1,200	\$ -	0.00%
Conservation	\$ 5,000	\$ 3,697	\$ 5,000	\$ 23,718	\$ 5,000	\$ 5,000	\$ -	0.00%
Cultural Campus	\$ -	\$ -	\$ 1,200	\$ 1,981	\$ 1,200	\$ 1,200	\$ -	0.00%
Debt Management	\$ 575,000	\$ 676,743	\$ 125,000	\$ 216,098	\$ 125,000	\$ -	\$ (125,000)	-100.00%
EMS	\$ 253,629	\$ 197,094	\$ 256,841	\$ 281,453	\$ 253,374	\$ 257,154	\$ 3,780	1.49%
Fire	\$ 4,780	\$ 2,008	\$ 5,500	\$ 1,711	\$ 1,000	\$ 1,000	\$ -	0.00%
General Government	\$ -	\$ -	\$ 34,000	\$ 34,000	\$ 35,700	\$ 35,700	\$ -	0.00%
Highway	\$ 185,750	\$ 183,464	\$ 183,865	\$ 177,512	\$ 166,365	\$ 173,365	\$ 7,000	4.21%
Historic Preservation	\$ 2,000	\$ -	\$ 3,000	\$ -	\$ 2,000	\$ -	\$ (2,000)	-100.00%
Insurance	\$ 48,867	\$ 14,802	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Library	\$ 35,950	\$ 37,837	\$ 34,800	\$ 39,403	\$ 34,800	\$ 30,300	\$ (4,500)	-12.93%
Listers	\$ 52,500	\$ 52,778	\$ 27,800	\$ 41,271	\$ 28,800	\$ 28,800	\$ -	0.00%
Mountain Rescue	\$ 1,500	\$ 21,071	\$ 750	\$ -	\$ 750	\$ 500	\$ (250)	-33.33%
Parks	\$ 157,895	\$ 172,330	\$ 169,165	\$ 169,741	\$ 166,665	\$ 159,990	\$ (6,675)	-4.01%
Planning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ 1,500	#DIV/0!
Police	\$ 189,042	\$ 128,207	\$ 134,010	\$ 133,454	\$ 128,251	\$ 127,838	\$ (413)	-0.32%
Public Works - Administration	\$ 44,000	\$ 44,150	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ -	0.00%
Recreation	\$ 147,014	\$ 139,580	\$ 144,104	\$ 140,579	\$ 147,804	\$ 150,327	\$ 2,523	1.71%
Surplus Carried Forward	\$ 265,574	\$ -	\$ 368,100	\$ -	\$ 566,811	\$ 637,678	\$ 70,867	12.50%
Town Clerk	\$ 131,555	\$ 158,212	\$ 152,510	\$ -	\$ 157,485	\$ 175,175	\$ 17,690	11.23%
Zoning	\$ 119,625	\$ 56,585	\$ 68,971	\$ 37,174	\$ 54,378	\$ 46,382	\$ (7,996)	-14.70%
<b>REVENUE TOTAL:</b>	<b>\$ 3,804,006</b>	<b>\$ 3,365,830</b>	<b>\$ 2,824,466</b>	<b>\$ 2,983,507</b>	<b>\$ 3,058,516</b>	<b>\$ 2,990,318</b>	<b>\$ (68,198)</b>	<b>-2.23%</b>

<b>NET BUDGET</b>	<b>\$ 6,308,143</b>	<b>\$ 5,725,080</b>	<b>\$ 6,870,370</b>	<b>\$ 6,960,881</b>	<b>\$ 7,008,621</b>	<b>\$ 7,005,823</b>	<b>\$ (2,798)</b>	<b>-0.04%</b>
<b>TOWN GRAND LIST</b>	<b>\$ 19,068,099</b>	<b>\$ 19,068,099</b>	<b>\$ 19,810,000</b>	<b>\$ 19,068,099</b>	<b>\$ 19,992,413</b>	<b>\$ 19,992,413</b>	<b>\$ -</b>	<b>0.00%</b>
<b>TOWN TAX RATE</b>	<b>\$ 0.3309</b>	<b>\$ 0.3002</b>	<b>\$ 0.3468</b>	<b>\$ 0.3651</b>	<b>\$ 0.3506</b>	<b>\$ 0.3504</b>	<b>\$ (0.0001)</b>	<b>-0.04%</b>