

## Municipal Corner – FY'16 Budget Process

At their October 14<sup>th</sup> meeting, the Selectboard and staff will begin the FY'16 budget development process. This initial meeting will be to update the Board on macro financial information and to see what upfront guidance they want to provide on the development of a draft budget for their consideration. During October, Department Heads prepare their departmental operating budgets and capital requests. Any other community stakeholder can also bring forth capital request for consideration.

The Finance Department assists the Department Heads with the preparation of their departmental budgets and collates the General Fund Budget. The Town Manager meets with each Department Head to review their proposed departmental budget and capital requests. He works collaboratively with them to prepare the draft General Fund and Capital Budgets in alignment with the Selectboard's goals. The Selectboard conducts a series of public meetings to discuss / modify the draft budget and ultimately holds a public hearing on their draft budget during the month of January. After the public hearing, the Board adopts the Annual Meeting Warning, which includes budget articles for the voter's consideration.

There are a number of anticipated challenges in preparing the FY'16 operating and capital budget. The Town has historically used its entire surplus to lower taxes rather than hold some in reserve or use it for one-time spending. In FY'15 the budgeted surplus carry forward was \$612,020. For FY'16 the unaudited available surplus is estimated to be \$308,454, a reduction of \$303,566. This means with all other things being equal, the Town will need to increase the tax rate to raise this lost revenue. A penny on the tax rate raises approximately \$200,000

The State is planning on replacing the Bridge Street Bridge during the 2015 construction season. The Town share is \$175,000. The voters have already appropriated \$20,000 and will need to appropriate an additional \$155,000. The Town also suffered significant damage to the Stowe Recreation Path due to heavy rains that eroded the embankment in several places. While the Town has applied to FEMA and the USDA, there is no guarantee that the Town will receive the money. We have also recently received significantly higher bids for road salt because of current market conditions that will add approximately \$40,000 to our Highway budget request.

The annual operating and capital budget is a major policy document that establishes what the Town is prepared its tax dollars to support. Your participation in the process is important. Selectboard meetings are typically the second and fourth Monday's of each month in the Akeley Memorial Building, except when they fall on a holiday they are on the following Tuesday. Draft meeting agendas appear in the legal section of the Stowe Reporter the Thursday before the meeting and on the Town's municipal web site ([www.townofstovevt.org](http://www.townofstovevt.org)). The agendas are also posted in the Akeley Memorial Building, Stowe Free Library and Public Safety Building in the Police Station lobby.

Please let me know if you have any questions or if I can be of any assistance.