

Municipal Corner – Budget

Proposed FY'22 General Fund Operating Budget: In accordance with the Stowe Town Charter, I have presented the Selectboard a proposed FY'22 General Fund Operating Budget. The total budget expenditures are \$13,007,104 of which \$3,070,106 comes from non-property tax revenues and \$9,936,998 from property taxes. The Budget as proposed represents a net budget increase of \$137,180 (1.40%). It is projected to level fund the municipal tax rate. This is based on projected Grand List growth of 1.5%, which provides \$146,862 in new tax revenue.

The Selectboard indicated their desire to maintain services while not increasing the tax rate which this budget achieves. However, it does not leave much room to advance new initiatives. The demands on the municipality are heavy as we continue to receive a large number of zoning permit applications and desire for infrastructure improvements. The Selectboard and I do the best we can to meet these demands while recognizing people's ability to pay especially during these challenging times.

The budget maintains existing services. It also includes \$6,000 to remove the non-historic Civilian Conservation Core buildings on Nebraska Valley Road which have become an eyesore. This money is anticipated to be matched by the Stowe Firefighter's Association which uses it as a training area. It also budgets \$20,000 to begin the multiyear process of removing ash trees from the highway right-of-way due to the anticipated arrival of the Emerald Ash Borer. It budgets \$6,975 for bear proof trash containers in the public parks where bears have historically gotten into the trash. The proposed budget level funds paving with the anticipation of paving Weeks Hill Road starting at Cape Cod Road to the end of pavement (6,500') which also includes a full-depth reclaim. Finally, it merges planning and zoning into one department.

The Town has many obligations going forward that will continue to be difficult to meet while managing the rate of increase in the tax rate at an acceptable level. It is anticipated in the next fiscal year (FY'23) that if the community's fiscal health returns to normal, the Selectboard will ask the voters to approve a \$1.1 million dollar bond to replace the Fire Department aerial ladder truck. The existing truck is 29 years old and the NFPA standard is 25 years old. The Town is also heavily reliant on computers to communicate, process information, and archive it. This was never more evident than when many of our employees started working remotely and our public bodies became reliant on electronic meetings. We also are responsible for public safety, so it is important that we stay operational during emergencies. An increasing amount of our operating budget goes towards IT and it is anticipated that the Town is going to need someone to oversee this functional area of the municipality on staff in the foreseeable future. Finally, we have to continue meeting the challenges of state mandates (e.g., stormwater) and a decline in volunteer emergency responders.

Proposed Capital Plan: The Capital Reserve Fund pays for one-time infrastructure projects over \$10,000. It is largely dependent on local option taxes as a revenue source which took a severe hit during the pandemic. As a result, we have been drawing down on reserves, temporarily delayed some approved projects and have been conservative in our expectations for new revenue for the upcoming fiscal year. The capital plan for next year only proposes essential non-discretionary projects. These include \$240,000 to provide the local match to replace the failing twin culverts on Stagecoach Road at the Moss Glenn Brook crossing with a new bridge. It is a \$1.2 million dollar project with the rest of the funding coming from the Federal Government. The capital plan also includes \$115,000 to stabilize a 326-foot section of streambank along the Little River adjacent to Moscow Road to prevent it from undermining

the road. Finally, the capital plan includes \$15,000 to assess the damage, advise on the replacement, and prepare bid specifications for the replacement of the Highway Garage roof which is leaking. It is a membrane roof that has been patched many times over the years and is failing. There is concern that if it is not replaced in the near future it could cause damage to the building structure if it has not already. Once this assessment is done and the design for a new roof is complete, we will have a better idea of the cost to replace it going forward.

Just like the operating budget, the demand on the capital fund is great as there is a never-ending need and desire for infrastructure improvements. One of these will be to design and implement storm water treatment improvements at the sites of Memorial Park/Arena and Wastewater Treatment Facility/Highway Garage to come into compliance with the State of Vermont's 3-acre rule. This will be very time consuming for our public works department and the cost to come into compliance is undetermined at this time. The permit requires the Town to come into compliance by July 1, 2024.

Budget & Capital Plan Public Hearing: The Selectboard will deliberate on the proposed FY22 General Fund Operating Budget and Capital Plan at their 1/11/21 meeting and then hold a public hearing on these plans at their 1/25/21 meeting. After any final adjustments they will approve and warn it for voter's consideration. Due to the pandemic, voting is anticipated to be by Australian ballot this year. More information will be forthcoming.

2020-21: To say that 2020 was a challenging year is an understatement. Thank you to everyone who voluntarily followed health department guidelines for everyone's benefit. Thank you, first responders and front-line workers, who kept us going despite personal risk. Here is to 2021 with hope for the end of the pandemic and a return to a sense of normalcy.