

Municipal Corner – FY'24 General Fund Budget

Town Meeting 2023 will be a return to an in-person annual meeting for the first time since just before COVID-19 sent us all into lockdown in 2020. The meeting will be held on Tuesday March 7, 2023 beginning at 8am at the Stowe High School Auditorium with the Stowe School District going first, followed by the Town.

In a previous municipal corner, I covered the proposed 1% sales tax for voter consideration on the floor of Annual Meeting. That article, as well as information regarding a local sales tax, is available on the Town's website at www.townofstovevt.org. It is worth noting the Selectboard universally supports the adoption of a local sales tax to reduce the amount that would otherwise need to be raised in property taxes.

This municipal corner focuses on the proposed General Fund operating budget and amount to be raised in property taxes. As proposed by the Selectboard, the net budget increase is \$1,263,167 (11.67% increase) and the projected tax rate is \$0.5013 (9.48% increase). If the voters approve the local option sales tax, they can then vote to reduce the amount to be raised in property taxes by \$700,000. With that reduction, the net budget increase is \$563,167 (5.20% increase) and the projected tax rate is \$0.4723 (3.14% increase.).

The budget increases the use of surplus carry forward from \$167,100 to \$350,000 to offset the proposed fiscal years property taxes. It also proposes a one-time appropriation of \$815,000 to maintain the solvency of the Equipment Reserve Fund. The Fund will otherwise go negative due to the increased cost of vehicles related to inflation and the loss of the municipal discount, which can account for up to 40% of the price of the vehicle. The money for the surplus carry forward and the one-time transfer to the Equipment Reserve Fund come from the undesignated fund balance. This line item had a substantial increase due to the influx of ARPA dollars. If the budget is approved, the Town is estimated to have an estimated \$1,368,058 remaining in the undesignated fund, which equals approximately 1.49 months of cash flow. The auditors recommend keeping up to two months for cash flow and emergency purposes, however 1.49 months is within acceptable limits. For context purposes, the Town's undesignated fund balance is equivalent to what the State often refers to as its "rainy day fund."

The proposed operating budget reflects an increase in demand for services, inflationary pressures, an increased reliance on communication technology, and a decline in availability of emergency -service volunteers. The demand for services reflects the growth in year-round population and economic activity. By way of context, the US Census indicates that the Town of Stowe saw a 21% increase in year-round population from 2010 to 2020. From 2019 to 2022, local rooms, meals and alcohol taxes increased over 50%, which correlates to an increase in economic activity. All of this translates to increased personnel necessary to maintain existing service levels.

In response to these increased personnel needs, the budget includes the addition of the equivalent of 3.5 Full-Time Employees across departments. This includes two firefighter positions, one Planning & Zoning position, one police officer and increasing our IT director from part-time to full time.

The two full-time firefighters are not budgeted to start until after the Town receives the results of a study on how to best meet current and future demands for Fire & EMS services amid declining availability of volunteers and increasing development. The study will be completed by a qualified

consultant with input from our emergency management agencies. The study will include, but not be limited to, identifying organizational structure options and cost. We are fortunate to have both dedicated volunteers and paid firefighters in Stowe. The Town began bringing on paid firefighters several years ago to help supplement coverage that could not be provided by the volunteers due to work and other commitments. With this being said, our volunteers are equally trained, equipped, and are essential to providing coverage.

The Planning & Zoning Department used to have three full-time employees when I first arrived. It was reduced to two employees in 2007 during the recession. However, since then we have seen an increase in the number of permit applications, as well as an increase in the complexity of projects. The Planning & Zoning Department also provides staff support for four boards and commissions (Planning Commission, Development Review Board, Conservation Commission, and Historic Preservation Commission). This amounts to nearly 100 evening meetings per year that the department attends and provides professional staff support. The Planning Commission, with support from the Planning & Zoning Department, will be taking a lead role in updating the Stowe Town Plan and various community planning studies in the coming years.

Police are facing increased demand for police services, including investigations. According to Chief Hull, "Currently Officers do not have the time to be as responsive for traffic enforcement or other proactive steps for highway safety due to the increased demand for other police services and investigations. An average call/incident takes one to three hours to complete, and more complex investigations can take much longer. In order to handle investigations, the Town now has two detectives. While the detectives perform patrol duties, much of their time is spent working on and completing investigations. People in Stowe expect us to be responsive to their calls for service and we need to sustain the police and public safety services we provide."

The Town is fortunate to have a part-time IT Director on staff, as well as a firm to provide 24/7 support services. The budget proposes moving the IT Director position to full-time due to our increasing reliance on technology and the constant threat to the security of our systems. The Town of Stowe municipal corporation has a diversity of departments, some of which are involved in public safety, so we must be operational 24/7/365. The Town Treasurer's Office collects over \$50 million dollars a year in property taxes (of which we remit \$25 million to the State to support the State Education Fund), much of which is handled electronically. As a result, the Town creates and stores sensitive and confidential information such as financial data and criminal justice information. Finally, we have confidential information on our computers such as bank routing and social security numbers which necessitates adequate cyber security measures. It is essential that we stay operational, protect confidential information, and up to date on IT-related policies.

Information about the proposed operating and capital budget is available on the Town's website at www.townofstowevt.org. A public informational meeting on the proposed operating and capital budgets will be held at 5:30pm on February 27, 2023, at the Akeley Building Memorial Room (Stowe Town Hall). The meeting can be attended in-person or electronically.