



TOWN OF MILTON, VERMONT 05468-3205

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Financial Management Plan for Fiscal Year 2016 - Selectboard's Proposal *Executive Summary - January 26, 2015*

Dear Selectboard Members, Milton Residents and Taxpayers:

Proposed FY 2016 General Fund Budget

As called for in the Municipal Charter, I am presenting my proposed budget for FY 2016. The FY 2016 budget amount is proposed at \$7,519,071. This amount includes estimated collections for the Road Restoration and Sidewalk Repair Fund, Fire and Rescue Reserve, and the ½ Cent Recreation Tax. This is a proposed budget increase of \$298,327, or approximately 3.75%, from the FY 2015 budget.

Tax Levy and Tax Rate: The municipal property tax rate is .4800 including all voter approved reserve taxes, the Veterans Exemption rate, local agreement rates, an allowance for doubtful taxes, and an allowance for the Tax Increment Financing match. The projected tax levy based on the current tax rate and projected Grandlist (accounting for TIF value deductions) is \$5,391,568. To balance with proposed General Fund Budget, the tax rate would have to increase by .0192 to produce an additional \$215,255 in revenue for a total tax levy of \$5,319,721. This is a tax levy increase of 3.75%. When you factor back in the Veteran's Exemption tax and the proposed increase this would produce a total tax rate of .4920. Based on the most typical residential assessment, the annual impact of this increase would be \$48.25.

Proposed FY 2016 Water Fund Budget

Next fiscal year Water Fund expenses are estimated to increase by \$22,211 from \$915,151 to \$937,402 (2.5%) over this fiscal year's estimated expenses. The most significant factors contributing to this change are: 1) an increase in water costs and usage of \$55,000; 2) decreasing salary and benefit costs that defray other operational cost increases; 3) the need to rebuild a responsible and sustainable fund balance.

There are other smaller budgetary changes in various line items including trailing salary and benefit amounts that account for the difference over last year.

A typical water user would experience the following rate changes compared with FY 2015.

- Quarterly base charges would increase from \$25.87 to \$35.87. The metered rate per 1000 gallons would increase from \$3.44 to \$3.54 per thousand gallons of usage. The typical residential user would see an annual increase of \$46.40. The \$10 increase in the base charge per quarter is based on a recently completed water rate study. The water base rate has been underfunded for over 20 years, leading to the financial depletion of the water fund. The increase in usage reflects the practice of passing on the rate increase in water from Champlain Water District.

Proposed FY 2016 Wastewater Fund Budget

The Wastewater Fund's expenditures are proposed to increase from an estimated \$1,200,644 to \$1,264,809, a \$64,165 or 5.3% increase. The most significant factors contributing to this change are: 1) additional capital costs for a truck replacement and addition of a sewage grinder; 2) decreasing salary and benefit costs defraying increasing operational costs. The additional capital expenses (around \$62K) would be funded with one time money from fund balance. The remainder of increase needed to support

operational cost increases would come from a 5% increase in the quarterly base charge. The annual cost to a typical household would increase by \$8.20.

Copies of the complete proposed budget, including the Budget Message are available for inspection at the following locations:

- Milton Public Library
- Town Manager's Office
- This Executive Summary and full Budget Message are also available on the Town's website at www.miltonvt.com

Selectboard Budget Meeting Schedule: All budget meetings are open to the public and will begin at 6:00 p.m. Meetings will be held in the Community Room unless otherwise posted. Please consult the Town's website (listed above), for any scheduling changes. The tentative schedule follows below:

- Monday, December 15, 2014- Overall Budget Presentation will be made by the Town Manager. [A regular Selectboard meeting will also be held on this date].
- Monday, January 5, 2014 – Assessor's Budget [A regular Selectboard meeting will also be held on this date].
- Tuesday, January 6, 2014- Health, Planning, Economic Development Commission, Legal, Fire & Rescue, Contingency, Water & Sewer, Debt Service and Capital Items Related to Each
- Wednesday, January 7, 2014- Town Clerk, Elections, Info Technology, Selectboard, Town Manager, Insurance/Risk Management, Administrative Services, Property Taxes & Assessment and Capital Related to Each
- Tuesday, January 13, 2014 - Recreation Commission, Public Works Administration, Highway, Building & Grounds, and Capital Related to Each
- Wednesday, January 14, 2014 - Police, Library, Finance and Capital Related to Each. Prepare for Public Presentation on January 24, 2014
- Saturday, January 24, 2014 – Public Presentation of Selectboard's Draft Budget at 10 a.m.
- Monday, January 26, 2014- Possible Final Review and finalization of all Budgets Presented and possible signing of the Warning and related documents. [A regular Selectboard meeting will also be held on this date].

Additional meetings may be added as needed.

Acknowledgements: I thank the many fine Town employees for the job they do serving the people of Milton. To all my Department and Division Heads and Administrative staff, thank you. Last, but not least, the selfless efforts of our dedicated volunteers in the Fire and Rescue Departments help make Milton a special and safer place.

Respectfully submitted,

Brian M. Palaia
Town Manager