

Memorandum

To: Selectboard
Cc: Department heads
From: Greg Duggan, Town Manager
Re: Information and updates about proposed fiscal year 2024 budget
Date: November ~~18~~21, 2022

Issue

The issue is to provide the Selectboard with information and updates about the proposed fiscal year 2024 budget.

Discussion

The Selectboard held its first budget workshop for the FY24 budget on Nov. 4, and also discussed the budget on Nov. 7. The information below contains updates to the proposed budget, and information requested by the Selectboard.

Changes since Nov. 7

- Police revenue from the City of Essex Junction is decreasing by \$101,956.40. When putting together the Police budget, staff did not assign the per capita split (with the City of Essex Junction) to the 3.5% administrative overhead costs of the Police Department, as required by the Police Services Agreement with Essex Junction. The language from the Agreement and the example of how the 3.5% administrative cost was decided are attached.
- Other Police revenues (i.e., those not coming from the City) will also be reduced on a per capita basis, by approximately \$19,200.
- Vermont League of Cities and Towns dues were reduced to \$16,291, down from \$17,031.
- Landfill monitoring was reduced to \$12,000, from \$14,000.
- Winooski Valley Park District dues were reduced to \$37,342, down from \$39,080.
- Green Mountain Transit dues are projected at \$71,015, down from the \$77,467 we budgeted.
- The change in Health Officer results in a budget of \$11,232, down from \$11,432.
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Selectboard requests for information, with staff responses

1. Response from Essex Rescue

Essex Rescue has made its official request for a municipal contribution of \$18 per capita, as expected. Also attached are the FY 21/22 and 22/23 budgets for Essex Rescue.

The other managers and administrators in the Essex Rescue service area are looking to meet with a legislative representative from each municipality to discuss how the communities would like to handle the request. Ethan Lawrence, the Town's representative to the Essex Rescue Advisory Board, has volunteered to be the representative from the Essex Selectboard.

2. Should we fund Conservation Fund this year?

Staff thinks there should be some funding set aside for the Conservation Reserve Fund, with the expectation that cutting it completely would make it more difficult to fund in coming years, and/or could have a greater impact on future tax rate percentage increases if building up from \$0. The Conservation Reserve Fund was tapped a couple of years ago for approximately \$4,500 to help offset the taxes and legal fees associated with the donation of a parcel of land to the Town, and we get other inquiries every so often. There's enough money in the fund now to

support small efforts such as land surveys or legal fees, but likely not enough to support or contribute to a land acquisition. Continued contribution even at a reduced amount will allow the fund balance to build, allowing the Town, should we have the opportunity, to invest in a larger conservation project.

3. Consolidate Explore Essex funding, ensure no double counting

Staff is proposing that a new line be created in the Manager’s budget, at an amount of \$8,900, and that budgeted amount would support Explore Essex and other community events such as Juneteenth. Other accounts will be decreased accordingly, so reassigning \$8,900 to the Manager’s budget would have no impact on the overall budget.

Staff sees Explore Essex as the primary town-wide event, which is supported by many departments, boards, and committees. Funding for other, departmental-specific events will live with the respective departments.

Added

110-5-10-10-850.000 Community Events and Celebrations \$8,900

Subtracted

110-5-17-10-540.000 EconDev Advertising \$300 specifically for Explore Essex, reduced to \$0

110-5-17-10-800.100 EconDev EDC \$1,500 was earmarked specifically for Explore Essex, reduced that to \$0 (this also reduced the fund balance usage in EconDev by the same amount)

110-5-16-10-330.000 ComDev Professional Services had \$1,000 for “events like Explore Essex,” reduced Professional Services by \$1,000

110-5-16-10-831.000 ComDev Special Programs \$5,000 reduced to \$0

110-5-30-10-850.000 Parks and Rec \$4,000 includes reference to Explore Essex, reduced to \$2,900

4. Should we add \$15,000 back to Library budget (prior contribution to Brownell)

From Library Director Caitlin Corless: The \$15,000 would be put to great use and would help fund the library’s most valuable resource: the library staff.

With \$15,000, we could create a new library assistant position to provide additional support to our hardworking but small staff. With the creation of this new position, we could more easily return to and sustain our regular evening hours.

The library currently uses approximately 200 hours worth of staff time each week, putting us well below the average staff hours of libraries that work with communities of comparable sizes and that are open a similar amount of hours. Understaffed for a community of our size, an additional part time position would help us strengthen our service to the community, reorganize tasks to make us more efficient, and ensure that we are able to remain open.

For just under \$15,000, we could fund a 14-hour/week position at a rate of \$19/hour. This also includes the 7.65% for social security.

5. Should we use more fund balance for IT due to COVID equipment purchase replacements

Staff does not recommend using fund balance for the IT equipment.

From IT Director Rob Paluba: I will be able to shuffle equipment around in 4 or 5 years when this equipment is up for replacement again making this year's high price much less the next time around.

6. Reduce Landfill Monitoring to \$12,000

This change has been made.

7. Should we increase Highway (more capital/equipment)?

From Public Works Director Aaron Martin: Any help financially to decrease the time frame with which we operate our trucks and plow equipment.

Talking with [Highway Superintendent] Dan Roberge further about our vehicle replacement schedule, we are currently at a 10-year life cycle for our trucks. Public Works would like to push this back to an 8-year life cycle so we are still under the manufacturers warranty for most major repairs.

8. Is SeeClickFix included in CivicPlus payment (are we double counting with PW line item)?

We are not double counting. Public Works has a 2-year contract with See Click Fix that is separate from the CivicPlus contract, which currently does not include a See Click Fix component.

9. Ask about VOIP (voice over IP) deployment

We use VOIP phones.

10. Can/should/do we take advantage of State cell phone contract?

From Police Chief Ron Hoague: The PD is currently on public safety contracts with both Verizon and AT&T that give us discounts beyond normal civilian pricing as well as priority access in the case of emergencies.

11. Better back roads in the capital plan

From Public Works Director Aaron Martin: Public Works will continue to apply for, and work with the Better Backroads grant program. This has been a great source of funding to address smaller stormwater related projects on our gravel roads. Has been a great tool to help the Town meet or permit requirements on hydraulically connected gravel road segments.

12. Health Officer update

Deputy Health Officer Sharon Kelley will be promoted to Town Health Officer. Essex Junction will appoint its own Health Officer, and the expectation is that each municipality's Health Officer will be paid by its respective municipality while also serving as the Deputy Health Officer for the other municipality.

13. FY22 fund balance details

The attached memo from Sarah Macy, "Assignment of FY21 Fund Balance," dated November 15, 2021, shows the fund balance assignments that were made last year.

We are awaiting the results of the FY22 audit before we make recommendations for how to use any new, unassigned fund balance.

14. Should we fund a community event and where should the funding go? There is \$4000 in [Essex Parks and Recreation] budget for this.

Staff considers the Explore Essex event as the primary community event and plans to organize that event again next year.

As noted above in #3, staff is proposing a new Community Events and Celebrations line in the Manager's budget that would fund Explore Essex, as well as other possible events such as Juneteenth. The \$4,000 in the Parks and Recreation budget would be reduced to \$2,900, with \$1,100 going to the Community Events and Celebrations line to support Explore Essex.

From Parks and Recreation Director Ally Vile: EPR would really appreciate funding to remain in the EPR Admin Operating to support additional community events. My team is working on ideas/possibilities if we had a start-up budget to work with.

15. Front Porch Forum follow-up, should cost change with separation

Staff expects little to no change in pricing. Front Porch Forum sets its rates based on number of accounts, vibrancy of the forum, frequency of postings, and other factors. We also expect some departments, such as Police, Assessor, and Recreation, to have reasons to post to Front Porch Forum neighborhoods in Essex Junction.

16. Follow whether City approves joining Winooski Valley Park District

The City of Essex Junction voted to join the Winooski Valley Park District. The dues request from WVPD is \$37,342 (less than the \$39,080 that was originally budgeted).

17. Tree Farm Property insurance (beyond buildings)

Finance Director Dan Roy is checking with VLCT PACIF to see if the Town is paying insurance on the entire 99 acres, or roughly half of that total acreage. We expect to meet with VLCT in December.

18. Ask VLCT about insurance rate

Finance Director Dan Roy has reached out to VLCT to review the Town's policy and coverage. VLCT does not expect to be able to meet until December.

19. Clarify debt payment terms with City

Debt will be paid proportionally based on the grand list.

20. Highway/Stormwater wish list

From Public Works Director Aaron Martin: [Director of Stormwater Operations/Staff Engineer] Annie [Costandi] and I have talked many times about having an account like we do in the Capital budget for Highway Road Reconstruction, but for use every year to go after and repair medium to large scale stormwater infrastructure projects.

We would like to see an additional \$50k to \$75k set aside in the new Capital Stormwater infrastructure reconstruction line item. This would be a good start.

Increasing the Professional services line item within the Stormwater Operating budget would also help a great deal. After assessment has been made of the infrastructure, scoping and a preliminary engineering report are required to move individual projects forward. The Town will be more competitive for grant funding with these phases completed prior to application for funding.

Depending on the size and scope of the project, bringing a stormwater project from initial scoping through preliminary engineering can range from \$30k to \$100k, over a year or two. Raising the Professional Services line in the Stormwater budget from the \$30k proposed to \$50k would be a tremendous help moving small projects through to construction.

21. VLCT credit history (should this shown as a revenue)

This research has turned out to be more complicated than expected. Finance Director Dan Roy continues to track down the credit history, and will identify the preferred accounting method.

[VLCT credits fluctuate from a few thousand to about \\$47,000, but are difficult to pin down as a specific budget number within any particular year. Because amounts fluctuate so much, staff prefers to avoid showing the credits as a revenue, and instead apply the receipts to the expense line items proportionally.](#)

Other considerations

- Senior van. The City of Essex Junction is looking into the possibility of sharing the senior van for the entirety of FY24, rather than only half of the fiscal year. If that were to happen, it would result in additional revenue for the Town.

Cost

None at this time.

Recommendation

This memo is informational.