

## BUDGET NOTES

### COMMENTS

**Change in Method of Accounting:** Beginning Fiscal Year 2011, Town will use the Modified Accrual method of accounting. Modified Accrual accounting gives the Selectboard a better tool for analyzing, managing and planning the Town's finances. Selectboard hired a consultant from the Vermont League of Cities & Towns to assist in the change of accounting methods.

**Budget Format:** The format is new. Revenues are categorized by type. Employee Benefits are reported by department. Park and Cemetery revenues and expenses are reported in the Budget, rather than separately. Section titled *Operating Transfers In From Other Accounts* shows how Reserve Funds are used. Loan payments are shown in new expense category titled *Debt Service*.

**FY 2010 Budget Adjustment:** Town's consultant adjusted the Town's ending balance for FY 2009 as part of transition to using Modified Accrual method of accounting.

**Deficit Eliminated & Positive Fund Balance:** The Town carried a deficit of \$63,842 into FY 2009. The deficit was eliminated by the end of FY 2009 by cuts in spending and by raising some additional taxes. FY 2009 ended with budget surplus of \$13,712.

### REVENUES

**Intergovernmental Revenues:** The State has maintained State aid to towns in FY 2010 with the help of Federal "Stimulus" money. Due to State revenue shortfalls, there is concern that the State will cut aid to Towns in FY 2011 when Federal "Stimulus" money runs out. Budget assumes State aid may be cut as much as 10% in FY 2011.

**Fines and Forfeits:** Effective December 1, 2009, Town increased law enforcement services from 10 hours per week to 20 hours. Budget projects a small increase in revenue from fines.

**Operating Transfers In From Other Accounts:** Shows use of Reserve Funds in FY 2011. Cole Hall and Garage Reserve Funds will fund completion of facilities plan. Grader Reserve Fund will be tapped to purchase new road grader. Landfill cap now complete, so Reserve Fund can be reduced by \$4,000.

**Cemetery Revenue:** Beginning FY 2010, cemetery revenues are reported in General Fund Budget. The 1999 Cemetery Fee Schedule was replaced by a new fee schedule.

### EXPENSES

**Administrative Support Wages:** Many Town projects funded by State and Federal grants. Grants require a significant amount of administrative time. In December 2009 the Selectboard authorized Town Administrator to hire an administrative assistant, to work 8 hours per week. Budget proposes to continue the administrative assistant position at 8 hours per week for FY 2011.

**Employee Health Insurance:** Insurance premiums increased 24% in 2010, which was less than the 30% expected. Actual costs decreased by 8.9% due to changes employees made in their coverage. Proposed Budget anticipates premiums may increase in 2012. Selectboard continues to look for ways to control healthcare insurance costs.

**Health Plan Administration:** A new company is administering employee health plan at lower cost.

**Cole Hall (Town Offices):** Town eliminated custodial position and now contracts for custodial services.

**Elections & Vital Statistics:** Increase needed for election supplies for primary and November elections.

**Auditors:** Proposes wage increase from minimum wage (\$8.06 per hour) to \$10.00 per hour.

**Professional Audit:** Increase needed to assure sufficient reserves on hand to help pay for the independent audit planned for FY 2012.

**Fire Dept. Communications:** Communication services costs moved to Utilities, with cost of new equipment reported under Communications.

**Law Enforcement:** On December 1, 2009, Town increased its coverage by Sheriff's Dept. from 10 hours per week to 20 hours. Under the 4-year contract, Sheriff charges 25% of the Sheriff's regular rate for the additional 10 hours of service, because the cost is underwritten by a Federal COPS Grant.

**Highway Wages – Regular:** Proposes 5% increase. No wage increase paid in FY 2010. Selectboard reviewed wages paid by towns of similar size and wages paid by towns in Bennington County area.

**Subcontract Costs:** Budget proposes purchasing a new road grader and Town keeping current grader. Town will not need to lease a second grader for road recovery work in the Spring.

**Winter Sand:** FY 2010 Budget underestimated sand usage. Icy road conditions more common, due to warmer winter weather, so more sand needed to maintain safe road conditions.

**Capital Improvement Projects:** Major road work proposed for Paran Road and Murphy Hill Road.

**Highway Equipment Maintenance:** Expect higher costs to maintain aging road equipment.

**Park:** Expenses for Howard Park now reported in General Fund Budget. Budget proposes level funding for park maintenance and operation.

**Transfer to Perpetual Care Fund:** One-half (1/2) of the fee collected from sale of cemetery lots will be transferred to the Perpetual Care Fund, to assure the future maintenance of the cemeteries.

**Fund Balance Reserve Fund:** A new contingency fund to meet unanticipated revenue shortfalls and to pay non-recurring and unanticipated expenses. Budget retains \$10,000 of FY 2009 fund balance here, and applies \$3,712 of the fund balance to reduce taxes.

**Culvert Reserve Fund:** New reserve fund to provide a match for State grants or to finance replacement of large culverts, such as box culverts, when grants are not available.

**Highway Lease Down Payment Grader:** Proposes purchase of new road grader. In FY 2011, \$62,000 will be paid from the Grader Reserve Fund; and anticipates first lease purchase payment will be made in FY 2012.