BUDGET SUMMARY
2014 Annual Report

On March 5, 2013, voters approved Article 11 that the Town transition from a calendar fiscal year (Jan.1 to Dec. 30) to a fiscal year (July 1 to June 30) beginning July 1, 2014. This resulted in an 18-month budget or, rather, one 6-month budget (FY2014) and one 12-month budget (FY2015). To help ease the transition and reduce the tax impact of asking taxpayers to pay for 18 months of expenses in one tax year, payment of property taxes went from two installments due in Sept. and Nov. to four installments due in Sept., Nov., Feb., and May and voters authorized borrowing up to $300,000 over five years. No matter which fiscal year is in effect, the property tax rate is not set until July, followed by the tax bills. Under the new fiscal year, tax revenues will be received earlier in the budget year, rather than 9 months into it, which will ultimately save taxpayers money.

This report focuses primarily on the short FY2014 budget and proposed FY2016 budget; FY2015 will be reviewed in next year's report.

General Notes

- Town Pond maintenance was moved from the Capital and One-Time Expenses section to the Miscellaneous section.
- A new Public Safety section was added that consolidates the police program, emergency management, dog warden, fire warden, fire hydrant maintenance, generator, and other related expenses.

FY2014

Due to a number of extenuating circumstances, a final audit of the FY2014 budget was not available during the FY2016 budget process. Consequently, some key information was not available.

The 2013 audit suggests the year ended with a $148,348 surplus; however, the basis of this figure has not been verified. Consequently, the more conservative figure of $54,806 was carried over.

Because no taxes were received before June 30, an audit will show a deficit. This is expected to even out at the end of FY2015 after tax revenues covering the 18 months will have been received. The preliminary 2014 audit indicated a deficit of $457,493. The basis of this figure, which included as part of its basis the 2013 surplus, is also in the process of being verified.

FY2015

The FY2015 budget figures are based on actuals through December 31, 2014 and estimated or known expenses and revenues through June 30, 2015. The FY2015 budget reflects the following:

- The $300,000 5-year loan voters approved to ease the fiscal year transition is proposed to be borrowed from reserve funds (authorized by voters, Article 13, March 4, 2014), with interest paid to those accounts.
- Line item budget projections were not available from the Road Department or Fire Department.
- Personnel costs fluctuated due to the departure of the Town Clerk/Treasurer and Assistant Clerk and reduction in Planning & Zoning Administrator hours.
- The percent change column relates to the difference between the FYprojected and approved budget figures.

FY2016

The proposed FY2016 budget reflects the following:

- The Web site cost FY2016 increase reflects anticipated costs associated with moving the site to a new platform.
- A new $250 allocation for a Town Health Officer was added to the reorganized Public Safety section.
- **ARTICLE 5** asks voters to approve up to $45,000 to finance part of the cost of replacing the Fire Department's SCBA and Air Storage Cylinders. See p.81 for more information.
- **ARTICLE 6** asks voters to approve up to $165,000 over five years to pave Tremblay and North Roads. If approved, debt service payments would begin in the FY2017 budget. See pages 65 and 85 for more information.
- **ARTICLE 7** asks voters to approve up to $75,000 over five years to pave parts of Joslin Hill Road. If approved, debt service payments would begin in the FY2017 budget. See pages 65 and 85 for more information.
- **ARTICLE 8** asks voters to rename the Culvert Replacement Reserve Fund to be the Bridge and Culvert Reserve Fund and to allocate $10,000 to it. Most of the major culvert work in town has been completed; however, there is no reserve fund for major or unanticipated non-covered bridge work, such as for the Meadow Road or Butternut Hill bridges. If **ARTICLE 8** is approved, $75,000 is proposed to be allocated to offset costs associated with the Covered Bridge and Bridge Street improvement project. See pages 80 and 81 for more information.

- The Covered Bridge and Bridge Street improvement projects are proposed to be funded with a $400,000, 15-year bond (**BOND ARTICLE II**), $75,000 from the Covered Bridge Reserve Fund, $75,000 from a re-named *Bridge* & Culvert Reserve Fund (**ARTICLE 8**), the VTrans grant, and the STAG grant. See pages 78-81 for more information.
- The second Town Office bond will not be taken out until FY2017 and construction will be financed with a bond anticipation line of credit that gets rolled into the 2017 bond note.
- If the CDBG-DR2 grant is awarded and the project goes forward, the $20,000 matching loan would be taken after July 2015 so the first loan payment would not be due until FY17.
- Electricity expenses continue to be reflected in the departmental operating budgets and are expected to be offset by solar credit revenues. The GMP Solar Energy Credits revenue is blank on page 61; however, projected revenues are expected to be in the area of $7,000.

Tax Rates. The 2013 municipal tax rate was $0.3337. For a residential property valued at $300,000 the municipal portion of the tax bill for the calendar year would have been about $1,001, paid in two equal installments of $500.50.

The 2014 tax rate is more complicated because it reflects an 18-month budget year. Combined, the total municipal tax rate was $0.4202; however, for the short 2014 fiscal year, the rate would have been $0.1403 and the rate in FY2015 would have been $0.2798* paid over four equal payments. For a residential property valued at $300,000 the municipal portion of the tax bill for the 18-month budget year would have been about $1,260, paid in four equal installments of $315 based on the 2013 Grand List. *Without the voter-approved $300,000 transition loan, the FY2015 municipal tax rate would have been $0.3617.

If all spending articles pass and the FY2016 proposed budget is approved as presented, the municipal tax rate is projected to be $0.3455 based on the 2014 Grand List. For a residential property valued at $300,000 the municipal portion of the FY2016 tax bill would be about $1,036, paid in four equal installments of $259.

The following tables and graphics provide more information about prospective tax impacts of various expenditures.

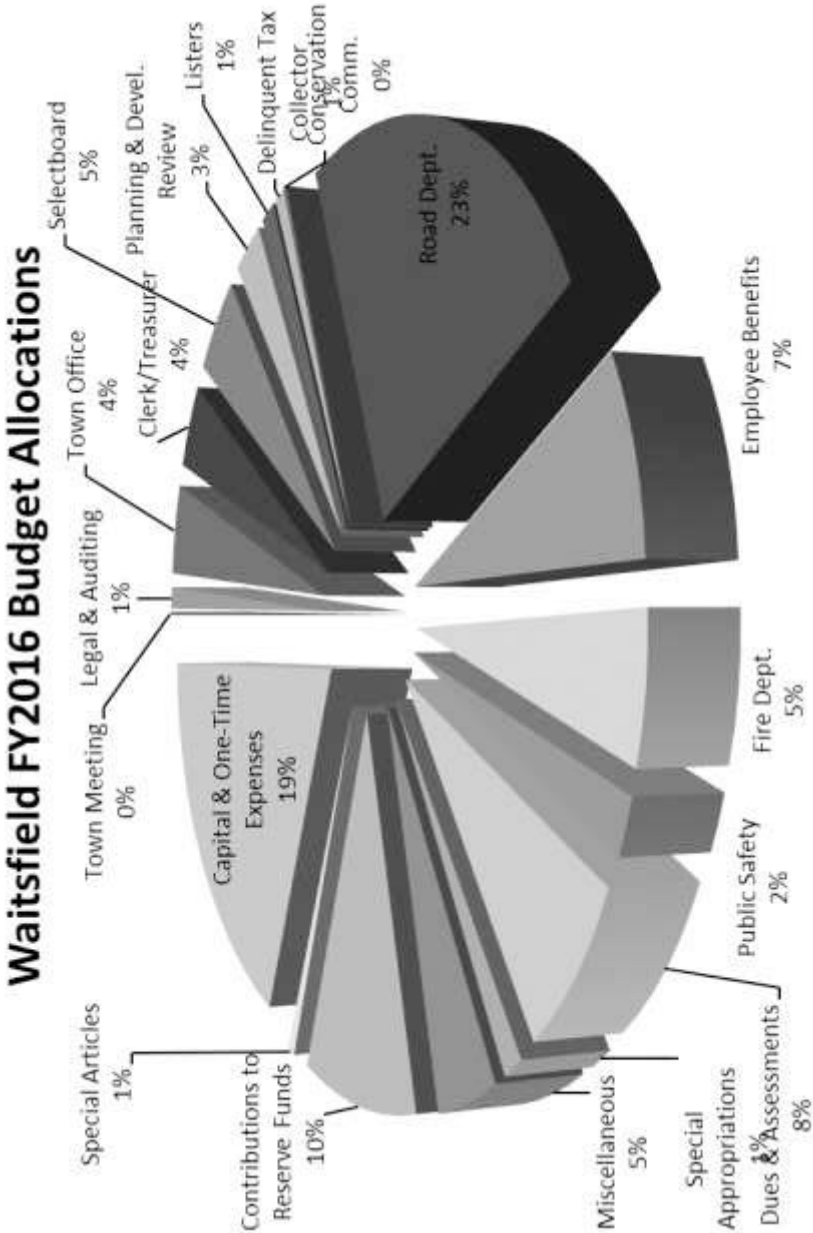
BUDGET SUMMARY
2014 Annual Report

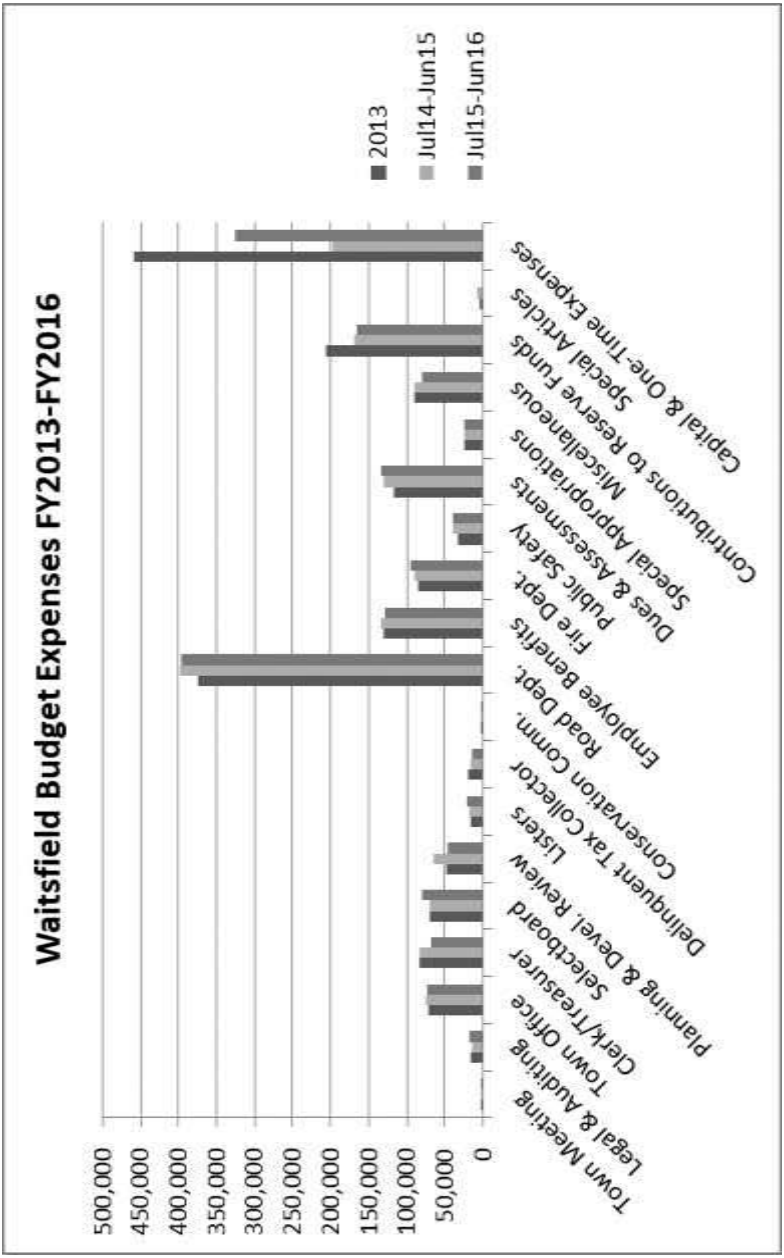
Approximate FY2016 Municipal Tax

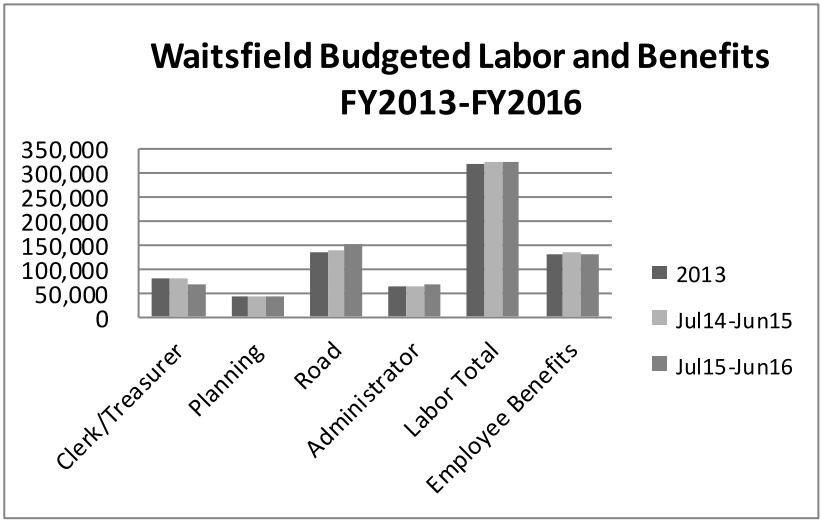
Appraised Value of Property	**$100,000**	**$300,000**	**$500,000**
Grand List (2014)	$366,786,017	$366,786,017	$366,786,017
Amount to Be Raised in Taxes	$1,267,254	$1,267,254	$1,267,254
Proposed Municipal Tax Rate	$0.3455	$0.3455	$0.3455
Approx. Annual Municipal Tax	$345.50	$1,036.51	$1,727.51

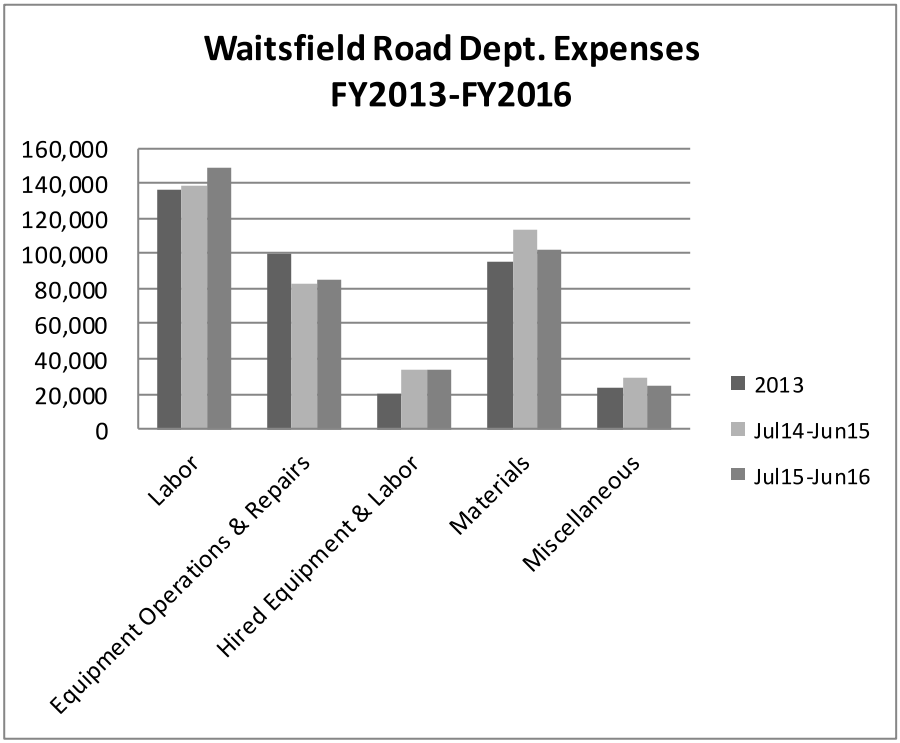
What Each Special Spending Item Means for Typical Taxes

	Expense	**Approx. Annual Debt**	**Tax Impact**	**Approx. Tax on Property Assessed at**			**Explanation**
				$100,000	**$300,000**	**$500,000**	
Article 5	$45,000	$9,763	$0.0027	$2.66	$7.99	$13.31	Fire Dept. SCBA replacement
Article 6	$165,000	$39,528	$0.0108	$10.78	$32.33	$53.88	Paving Tremblay and North Roads
Article 7	$75,000	$16,272	$0.0044	$4.42	$13.31	$22.18	Paving parts of Joslin Hill
Article 8	$10,000		$0.0027	$2.73	$8.18	$13.63	Allocation to Bridge and Culvert Reserve Fund
Bond Article II	$400,000	$37,397	$0.0102	$10.20	$30.59	$50.98	Covered Bridge/Bridge Street Improvements
TOTAL			**$0.0308**	**$30.80**	**$92.39**	**$153.99**	


Waitsfield FY2016 Budget Allocations
Selectboard 5%
Planning & Devel. Review 3%
Listers 1%
Delinquent Tax Collector 1%
Conservation Comm. 0%
Road Dept. 23%
Clerk/Treasurer 4%
Town Office 4%
Legal & Auditing 1%
Town Meeting 0%
Capital & One-Time Expenses 19%
Special Articles 1%
Contributions to Reserve Funds 10%
Miscellaneous 5%
Special Appropriations 1%
Dues & Assessments 8%
Public Safety 2%
Fire Dept. 5%
Employee Benefits 7%


Waitsfield Budget Expenses FY2013-FY2016
500,000
450,000
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
Town Meeting
Legal & Auditing
Town Office
Clerk/Treasurer
Selectboard
Listers
Planning & Devel. Review
Delinquent Tax Collector
Conservation Comm.
Road Dept.
Employee Benefits
Fire Dept.
Public Safety
Dues & Assessments
Special Approprations
Miscellaneous
Contributions to Reserve Funds
Special Articles
Capital & One-Time Expenses
2013
Jul14-Jun15
Jul15-Jun16


Waitsfield Budgeted Labor and Benefits
FY2013-FY2016
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
Clerk/Treasurer
Planning
Road
Administrator
Labor Total
Employee Benefits
2013
Jul14-Jun15
Jul15-Jun16


Waitsfield Road Dept. Expenses
FY2013-FY2016
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
Labor
Equipment Operations & Repairs
Hired Equipment & Labor
Materials
Miscellaneous
2013
Jul14-Jun15
Jul15-Jun16