

**TOWN OF BETHEL BUDGET  
Proposed FY 2019 Budget Summary**

This year's proposed budget represents the Selectboard's efforts to create a budget which is based on historical actual expenses, as well as future economic indicators.

The largest increase in this proposed budget is the payment to retire the \$1,725,445 line of credit with Mascoma Bank. This note was initially taken out to be used for flood recovery purposes, but in 2015, 2016 and 2017, only interest payments were made on the note. The note is due to mature in November 2018 and after speaking with the Vermont Department of Public Safety, we expect to receive a final FEMA and State of Vermont payment of approximately \$427,225. This money will be applied to the principal of the note, reducing it to \$1,298,220. This information was just verified by the Department of Public Safety, as well as our audit firm. The current plan is to put the financing of this note out to bid and to finance it over 30 years. In the 2019 budget, we have estimated the first of the 30 loan payments, as well as the final interest payment due to Mascoma Bank. In 2020, the loan payment line will be reduced by approximately \$20,000 as 2019 is the last of the interest payments due on the line of credit.

The line of credit initially taken out to cover flood recovery expenses, was used to cover overspent budgets and to supplement the decrease in revenue due to the growing delinquent tax and water/sewer lists (see below).

	2012	2013	2014	2015	2016	2017
<b>Tax</b>	202,725	214,749	307,103	295,093	245,232	322,105
<b>Utility</b>	82,996	126,595	138,156	132,517	102,778	145,694

In 2018 the Selectboard will be adopting the following financial policies, as they work to ensure financial stability for Bethel: Accounting, Auditing & Financial Reporting, Purchasing Policy, Cash Receipts, Petty Cash & Returned Check Policy, Debt Management Policy, Capital Improvement & Budgeting Plan, Fraud Prevention Policy and Fund Balance Reserve Policy.

Other items of note in this proposed budget, are a budgeted increase in health insurance premiums of 10%. In December 2017 the Selectboard approved the change in insurance providers from Blue Cross Blue Shield to MVP. This change took place January 1, 2018 and was done to take advantage of MVP's 1.91% premium increase versus the 9.83% increase it would have been, had we stayed with Blue Cross Blue Shield. Since we will not know how much of a premium increase MVP will want until the fall, we budgeted 10%.

You will also see a change in the Public Works department, as we have created a utility position. This position will now perform some of the duties that we previously hired outside contractors for, as well as work for the water and sewer department.

The Fire Department is also in need of some repairs and maintenance. There is some exterior trim and siding that needs to be replaced, as well as implementing a plan to update the heating system. These two things will help to make the building more energy efficient. The other item listed under the Fire Department budget is an additional \$5,500 for fire protection. This money will be used to replace two fire hydrants per year. It will put us on a twenty year cycle to replace all of the hydrants in Town.

There is \$5,000 in the parks budget to upgrade the street lights to LED bulbs. By updating our existing bulbs to LED, which on average last twenty-five times longer than traditional bulbs, it will reduce our expenses over time, as well as improve the quality of light.

The Bethel Selectboard will be holding a Budget Information Meeting on February 26, 2017 at 6 pm at the Town Hal.

**BUDGET COMPARISON REPORT**

	<u>Budget Fiscal 15-16</u>	<u>Budget Fiscal 16-17</u>	<u>Budget Fiscal 17-18</u>	<u>Proposed Budget Fiscal 18-19</u>	
Gross Appropriations	2,026,971	2,066,653	2,171,724	2,360,119	
Less Anticipated Revenues	393,528	408,250	413,325	416,604	
<b>Total Amount to be Raised by Taxes</b>	<b>1,633,443</b>	<b>1,658,403</b>	<b>1,758,399</b>	<b>1,943,515</b>	
<b>Amount to be Raised by Town Highway &amp; General Taxes</b>	<b>1,518,873</b>	<b>1,516,743</b>	<b>1,617,354</b>	<b>1,675,969</b>	<b>Estimated Tax 0.854</b>
<b>Less Revenues by Special Articles</b>					
Fund Transfers	27,000	-	-	-	-
Subtotal	27,000	-	-	-	-
<b>Plus Amount to be Raised by Special Articles</b>					
Human Services Agencies	19,810	19,900	19,204	23,250	0.012
WRVA	121,760	121,760	121,841	127,890	0.065
Fire Dept. Building Maintenance	-	-	-	10,000	0.005
Fire Protection/Hydrant Replacement				5,500	0.003
Mascoma Line of Credit				100,906	0.051
Subtotal	141,570	141,660	141,045	267,546	0.136
<b>Total Amount to be Raised by Taxes</b>	<b>1,633,443</b>	<b>1,658,403</b>	<b>1,758,399</b>	<b>1,943,515</b>	<b>0.990</b>
<b>Change in Town Highway &amp; General</b>	<b>52,776</b> 3.91%	<b>-22,130</b> -1.58%	<b>155,611</b> 11.26%	<b>58,615</b> 3.62%	
<b>Change in Total Amount to be Raised by Taxes:</b>	<b>128,358</b> 8.53%	<b>24,960</b> 1.53%	<b>99,996</b> 6.03%	<b>185,116</b> 10.53%	
<b>Tax Rates</b>	<b>0.831</b>	<b>0.844</b>	<b>0.893</b>	<b>0.990</b>	

\* FY'19 Estimated Tax Rate if all Articles are approved and Based on 2017 Grand List of \$1,963,661.

Using the Estimated Tax Rate for FY'19, Municipal Taxes for a home valued at \$100,000 would be \$990; for a home valued at \$200,000, taxes would be \$1,980.

**FIVE YEAR COMPARISON OF FUNDS RAISED BY TAXES**

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
General & Highway	\$1,363,097 3.01%	\$1,491,873 9.45%	\$1,585,143 6.25%	\$1,617,354 2.03%	\$1,792,375 10.82%
Human Services & WRVA	\$141,988 3.54%	\$141,570 -0.29%	\$141,660 0.06%	\$141,045 -0.43%	\$151,140 7.16%
Local Agreement				\$13,568 0.000%	\$13,568 0.000%
<b>Total General Fund</b>	<b>\$1,505,085</b>	<b>\$1,633,443</b>	<b>\$1,726,803</b>	<b>\$1,771,967</b>	<b>\$1,957,083</b>
Percent change over previous year:	3.06%	8.53%	5.72%	2.62%	10.45%

Note: Percentage figures beneath each item represent the change from the previous year.

The local agreement rate is not available until the Lister's Office lodges the Grand List in April. It represents the school tax portion we pay on Veterans Exemptions and Voted Exemptions.

Financial Overview for 2007 - 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Short-Term:</b>										
LOC for Operating Expenses	140,600	80,600	80,600	0						
LOC for Operating Expenses	245,000	245,000	245,000	179,688	0					
LOC for Operating Expenses		140,000	140,000	140,000	14,000	0	279,660	0		
LOC FEMA Disaster Funds		375,775	134,497	134,497	0					
LOC for Operating Expenses			310,000	310,000	399,067	384,497	250,000	0		
LOC Paving & Storm Drains				45,536	100,401	15,910	0			
LOC Solid Waste Project				16,266	0					
LOC Streetscape				11,752	11,752	12,666	0			
LOC 2011 Flood						4,507,000	2,750,000	2,465,445	1,725,445	1,725,445
LOC 2007 Flood	400,000	376,648	390,226	304,554	<i>moved to PW deficit</i>					
<b>Subtotal:</b>	<b>785,600</b>	<b>1,218,023</b>	<b>1,300,323</b>	<b>1,142,293</b>	<b>525,220</b>	<b>4,920,073</b>	<b>3,279,660</b>	<b>2,465,445</b>	<b>1,725,445</b>	<b>1,725,445</b>
<b>Long-Term:</b>										
Sewer Treatment	320,000	300,000	280,000	255,000	235,000	210,000	185,000	160,000	130,000	100,000
Church Street Bridge	273,960	321,847	321,847	321,847	310,000	290,000	270,000	250,000	230,000	210,000
Cap. Lease - Fire Pumper	40,002	20,526	0							
Cap. Lease - Loader/Backhoe	13,425	0								
Cap. Lease - Grader	140,000	123,057	106,114	89,171	68,874	47,220	30,277	0		
Public Works Deficit/07 flood					304,564	218,891	133,228	0		
Rescue Trucks x 2				50,000	48,092	36,585	24,751	12,556	0	
Highway Equipment			152,000	152,000	76,000	0				
ERLF/fire, WW, Camp Brook					128,531	128,531	134,076	82,725	82,725	
USDA/Town Hall					877,700	833,815	789,930	746,045	702,100	658,200
2012 Kenworth						238,000	210,928	183,248	149,698	116,148
2013 Freightliner x2							225,000	149,937	76,614	0
Sidewalk Plow, Ranger & Trk.									108,000	44,667
LOC Old Route 12 Bridge (#48)				280,000	0					
LOC AOTGrant/sidewalk impr					12,666	0				
EWP 2011 Irene/home buyout						80,340	0	47,576	0	
<b>Subtotal:</b>	<b>787,387</b>	<b>765,430</b>	<b>859,961</b>	<b>1,148,018</b>	<b>2,061,427</b>	<b>2,083,382</b>	<b>2,003,190</b>	<b>1,632,087</b>	<b>1,479,137</b>	<b>1,129,015</b>
<b>Total Debt Overview:</b>	<b>\$1,572,987</b>	<b>\$1,983,453</b>	<b>\$2,160,284</b>	<b>\$2,290,311</b>	<b>\$2,586,647</b>	<b>\$7,003,455</b>	<b>\$5,282,850</b>	<b>\$4,097,532</b>	<b>\$3,204,582</b>	<b>\$2,854,460</b>

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