

Memorandum

To: Selectboard
Cc: Madison Duffy, Assistant Finance Director
From: Greg Duggan, Town Manager; Karen Adams, Deputy Manager; Dan Roy, Finance Director
Re: Work session and potential preliminary adoption of fiscal year 2027 operating budget
Date: 12/31/2025

Issue

The issue is for the Selectboard to discuss the draft FY27 Operating Budget, determine whether an additional budget session is needed, and/or approve the budget for preliminary adoption.

Discussion

The draft [FY27 Operating Budget](#) is shown below, as of January 5, 2026:

<u>WITHOUT HUMAN SERVICES FUNDING</u>				
	FY2026	FY2027 Proposed	\$ Change	% Change
Total Budget	\$ 16,365,963	\$ 17,207,277	\$ 841,314	5.14%
Tax Levy	\$ 11,849,186	\$ 12,252,828	\$ 403,642	3.41%
Grand List	\$ 16,240,938	\$ 16,362,745	\$ 121,807	0.75%
Tax Rate	0.7296	0.7488	0.0192	2.63%
\$280k Home	\$ 2,042.88	\$ 2,096.64	\$ 53.76	2.63%

As previously presented on December 15th:

<u>WITHOUT HUMAN SERVICES FUNDING</u>				
	FY2026	FY2027 Proposed	\$ Change	% Change
Total Budget	\$ 16,365,963	\$ 17,207,277	\$ 841,314	5.14%
Tax Levy	\$ 11,849,186	\$ 12,252,828	\$ 403,642	3.41%
Grand List	\$ 16,240,938	\$ 16,362,745	\$ 121,807	0.75%
Tax Rate	0.7296	0.7488	0.0192	2.63%
\$280k Home	\$ 2,042.88	\$ 2,096.64	\$ 53.76	2.63%

Changes made within the Budget since December 15th presentation:

Revenues:

- \$11,863 in Property tax revenue decreases

Changes specific to cost-sharing agreements:

- \$5,134 addition in City of Essex Junction revenue for anticipated changes to the Assistant to the Assessor position, enveloping regular salaries, group insurance, social security and retirement.
- \$2,138 reduction in City revenue for taser expense adjustment in Police Operating budget

- \$7,078 reduction in City revenue for insurance & benefit changes in Police Administration budget

Changes in Use of Fund Balance:

\$2,166 reduction in use of fund balance in Police – Operating budget for taser changes

Expenses: (down \$18,111 since 12/15)

- \$510 added to Administration budget line item for Other Employee Benefits
- \$4,800 subtracted from phone allowances under line 290 Other Employee Benefits within Administration as a readjustment of the item previously.
- \$10,268 added to the Assessing budget for changes to the Assistant position as follows:
 - \$8,736 added for line 110 Regular Salaries
 - \$39 added for line 210 Group Insurance
 - \$707 added for line 220 Social Security
 - \$786 added for line 230 Retirement
- \$7,336 subtracted from County & Regional Functions budget for County taxes, invoice received
- \$4,304 subtracted from Police – Operating budget under line 505 Tech, subscriptions & licenses for changes in taser cost
- \$14,144 subtracted from 210 Police - Administration Group Insurance line item based on Open Enrollment changes
- \$44 subtracted from 220 Police - Administration Social Security line item
- \$61 subtracted from 230 Police - Administration Retirement line item
- \$120 added to EPR Pool budget line item for 290 Other Employee Benefits
- \$120 subtracted from EPR P&F budget line item for 290 Other Employee Benefits
- \$720 added to PW Administration budget line item for 290 Other Employee Benefits
- \$720 added to PW Highway budget line item for 290 Other Employee Benefits
- \$360 added to PW Stormwater budget line item for 290 Other Employee Benefits

Changes made between original publication of the budget up to December 15th are also attached.

The Selectboard should review the budget and discuss any changes they would like to see, and discuss whether another meeting is needed before the next opportunity to discuss the budget, which would otherwise be January 26, 2026 at a regular Selectboard Meeting. If the Selectboard chooses, they may vote on preliminary adoption of the budget, with the approval of a budget warning to come at a future time.

Cost

The FY27 Operating Budget is proposed at \$17,207,277, and a projected tax rate increase of 2.63%. This does not include the effect of Health and Human Services funding, should it be approved by voters.

Recommendation

Staff recommends preliminary adoption of the fiscal year 2027 Town operating budget at \$17,207,277.

Attachments:

1.	Changes to Budget through 12-15
2.	FY27 ops budget followup memo for 1-2-26
3.	memo_budget FY27 hauling costs 20260105

Changes to Budget from December 5th presentation:

As of December 15th:

<u>WITHOUT HUMAN SERVICES FUNDING</u>				
	FY2026	FY2027 Proposed	\$ Change	% Change
Total Budget	\$ 16,365,963	\$ 17,207,277	\$ 841,314	5.14%
Tax Levy	\$ 11,849,186	\$ 12,252,828	\$ 403,642	3.41%
Grand List	\$ 16,240,938	\$ 16,362,745	\$ 121,807	0.75%
Tax Rate	0.7296	0.7488	0.0192	2.63%
\$280k Home	\$ 2,042.88	\$ 2,096.64	\$ 53.76	2.63%

As of December 5th, Selectboard Meeting:

<u>WITHOUT HUMAN SERVICES FUNDING</u>				
	FY2026	FY2027 Proposed	\$ Change	% Change
Total Budget	\$ 16,365,963	\$ 17,199,538	\$ 833,575	5.09%
Tax Levy	\$ 11,849,186	\$ 12,247,089	\$ 397,903	3.36%
Grand List	\$ 16,240,938	\$ 16,362,745	\$ 121,807	0.75%
Tax Rate	0.7296	0.7485	0.0189	2.59%
\$280k Home	\$ 2,042.88	\$ 2,095.80	\$ 52.92	2.59%

Revenues:

\$2,000 added to use of Fund Balance within the Legislative budget to accommodate anticipated additional Reappraisal hearings

\$5,739 in Property tax revenue increases

Expenses: (up \$7,739 at this point)

\$4,800 added for phone allowances under line 290 Other Employee Benefits within Administration

\$400 added to line 540 Advertising expenses within Economic Development

\$600 added for phone allowances under line 290 Other Employee Benefits within Parks & Facilities

\$1,939 added to line 530 Communications within PW Highway

The following questions/information requests were outstanding as of December 15, 2025.
 Responses offered from staff for the 1-5-26 SB meeting on these items:

Question/Topic	Staff Response
Newsletter analysis – cost of printing in-house vs. outsourcing	Staff is looking into this. The material (paper, envelopes, postage) costs for producing the newsletters would be roughly equal in each scenario. The Town’s printing and copy, as well as postage, equipment is generally not prepared for that volume of color printing or mailing so there would be higher-than-normal ink and other incidental costs. Labor costs to perform the task are still being developed as well as determining the opportunity cost of tying up Town equipment.
Insurance requirements for maintaining phones/VOIP	Staff has confirmed with our insurance provider they do not have requirements for standalone phones for insurance purposes.
Can County Tax be a separate line item	Staff is awaiting legal guidance on this topic.
Cost analysis of in-house or private hauling of salt/sand	Please see attached memo from the Department of Public Works on this topic.
Cost of paving Memorial Hall	Staff is both developing an estimate based on actual costs for recent projects and seeking quotes from the contractor community due to the specific nature of the work.

Memorandum**To:** Selectboard**Cc:** Karen Adams, Deputy Town Manager; Dan Roy, Finance Director; Madison Duffy, Assistant Finance Director**From:** Greg Duggan, Town Manager; Aaron Martin, Public Works Director; Dan Roberge, Highway Superintendent**Re:** Costs of hauling sand and salt**Date:** January 2, 2026

Issue

The issue is to inform the Selectboard about the in-house versus private contractor costs of hauling sand and salt.

Discussion

Based on staff analysis, the average current costs for private haulers using a tandem dump truck this coming season is averaging \$4.25 per mile. This is an estimated average currently being used by staff for this upcoming construction season. There will be some who charge less than this and others may charge more. We have broken down the actual costs of labor and diesel, and used average costs associated with maintenance to calculate the total Town costs to be \$3.50 per mile. A savings of \$0.75 per mile or roughly \$175 per day for one truck.

Please note, this cost does not include any costs associated with vehicle replacement or for the loss of manpower to complete other maintenance tasks for the department. If we dive further down on these costs, staff thinks we will likely find the costs to the Town could exceed the use of contracted services or at least on par.

Staff also reached out to one of our salt providers, Barrett's Trucking, which confirmed that they do not allow anyone other than their hired subcontractors to haul salt for delivery out of their yards and buildings.

Cost

n/a

Recommendation

This memo is informational.