

# 2024

# Durham Annual Town Meeting

**Select Board Report**

**April 6, 2024**

All 2024 budget figures are estimates based on best available data prior to Town Meeting, and don't account for any changes made at Town Meeting or after.

# 2022 Overspent Article

- ▶ One Budget Article Overspent in 2022 - Article 5
  - ▶ Fire Department: \$3,235 overspent
    - ▶ Reason: Fire Chief applied and received a couple Matching Grant opportunities and used operating funds to secure the grants. These funds were not replenished back to the account.
- ▶ Town Meeting approval required to use General Fund Balance to ratify the overspent funds

# 2024 Municipal Budget Context

- ▶ Historically the Municipal Budget accounts for approximately 20% of your property tax bill.
  - ▶ For 2023 it was 19.6%
  - ▶ For 2024 it will be approximately 16.4%
- ▶ The ending fund balance in 2023 is 3.7 million, or roughly 33% of 2024's total budgeted appropriations.
  - ▶ The general recommendation is that unassigned fund balance should be between 16% to 20% of total budgeted appropriations
  - ▶ The Select Board's recommended 2024 budget is aiming to use \$668,000 to help bring the unassigned fund balance down towards the recommended range.
- ▶ Based on the Select Board's recommended use of fund balance being voted on today results in an approximate 1.8% tax increase.
  - ▶ Based on the Budget Committee's recommended use of fund balance voted on today results in an approximate 2.3% tax increase.
- ▶ Request for the use of ARPA funds for 2024 totals \$44,630 for three projects.
  - ▶ If approved, this will obligate the remaining ARPA funds.

# 2024 Municipal Budget Summary

|  | 2024        | \$ Var to LY | % Var to LY |
|--|-------------|--------------|-------------|
| Total Municipal Budget for 2024                        | \$4,569,599 | \$554,366    | 13.8%       |
| Less Revenues and General Fund Appropriations for 2024 | \$3,230,114 | \$813,505    | 33.7%       |
| <hr/>  |             |              |             |
| Total Municipal Assessment for 2024                    | \$1,339,485 | -\$259,139   | -16.2%      |

The mil rate impact and % increase/decrease are estimates. They will be affected by (a) the town's assessed taxable valuation in 2024, and (b) the amount of overlay when taxes are committed.

# 2024 Estimated “All-in” Tax Assessment

|           | 2024 Estimated Assessment | \$ Variance vs LY | % Variance vs LY | Mil Rate +/-(-) |
|-----------|---------------------------|-------------------|------------------|-----------------|
| Municipal | \$1,339,485               | -\$259,139        | -16.2%           | -\$0.686        |
| Education | \$6,088,292               | \$371,937         | 6.5%             | \$0.987         |
| County    | \$742,140                 | \$64,752          | 9.6%             | \$0.184         |
| Overlay   | \$0                       | -\$35,246         | -100%            | -\$0.107        |
| Total     | \$8,169,917               | \$142,304         | 1.8%             | \$0.378         |

Overlay is determined when taxes are committed and can be up to 5% of the total required tax levy.

# Durham Outstanding Bond Debt

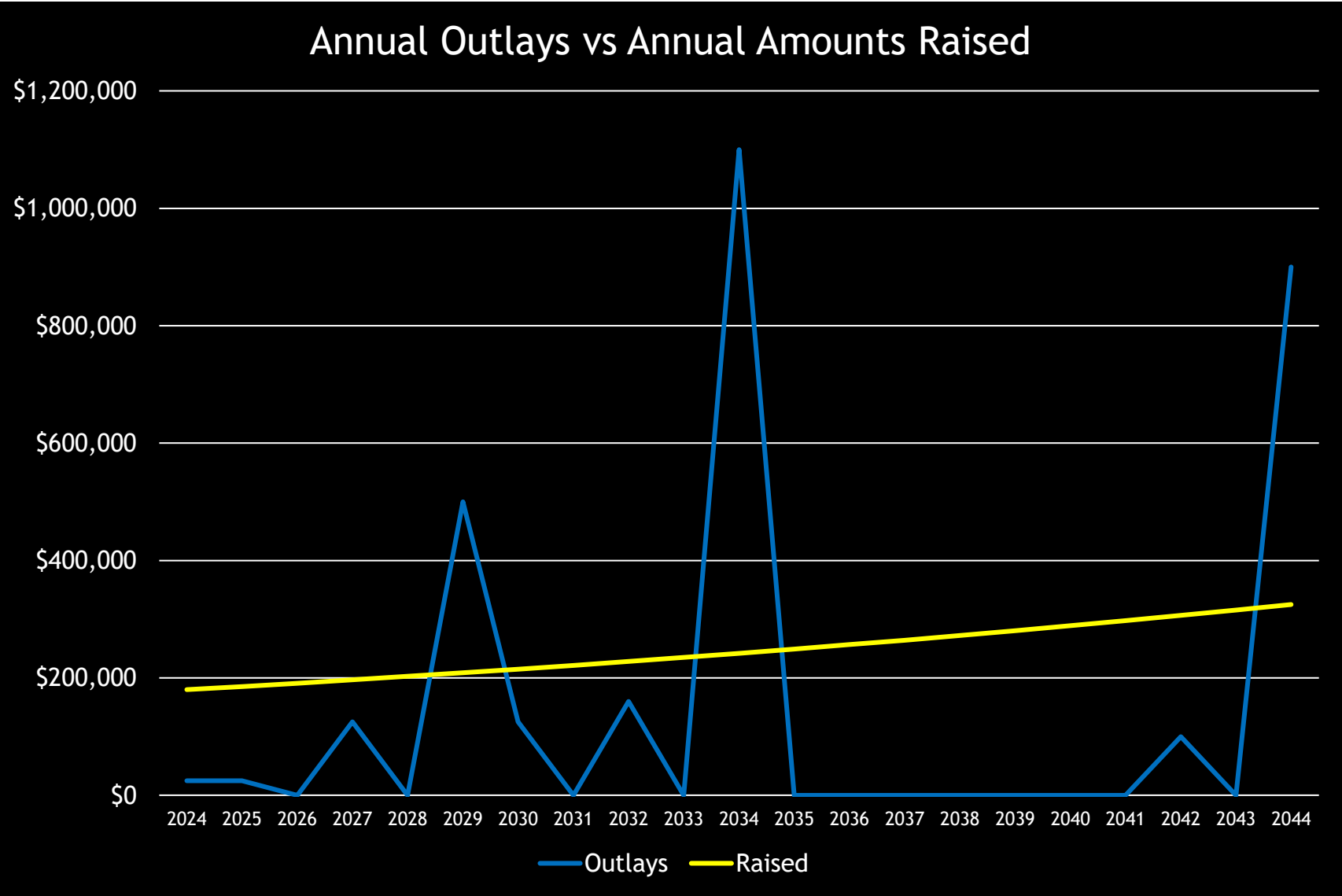
| Description      | Year | Initial Principal | 2024             | 2025             | 2026             | 2027             | 2028             | 2029             |
|------------------|------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| PW Equip. Bond   | 2014 | \$1,150,000       | \$132,754        |                  |                  |                  |                  |                  |
| Rescue Bond      | 2019 | \$250,000         | \$39,647         | \$38,710         | \$38,095         |                  |                  |                  |
| Fire Truck Bond  | 2018 | \$480,000         | \$58,895         | \$58,895         | \$58,895         | \$58,895         | \$58,895         |                  |
| Road Bond        | 2018 | \$2,000,000       | \$228,200        | \$222,940        | \$217,480        | \$211,820        | \$205,980        |                  |
| Road Bond        | 2019 | \$2,100,000       | \$230,397        | \$226,972        | \$223,484        | \$221,613        | \$217,875        | \$214,011        |
| PW Building Bond | 2014 | \$975,000         | \$91,120         | \$91,120         | \$91,120         | \$91,120         | \$91,120         | \$79,525         |
|                  |      | <b>Total</b>      | <b>\$780,349</b> | <b>\$638,637</b> | <b>\$629,074</b> | <b>\$583,448</b> | <b>\$573,870</b> | <b>\$293,536</b> |

**Note: 2024 interest on debt is \$88,482**

# Long Term Capital Planning

- ▶ Avoids spikes in taxes in years when expensive equipment purchases, or large construction projects are necessary.
- ▶ Helps keep the Town from having to borrow or lease and, thus, avoids interest costs.
- ▶ Funds the capital reserves consistently based on estimated useful life of assets against replacement schedules.
- ▶ Gives flexibility to the Town to make purchases, repairs, and construction when needed.

# Fire Department Reserve

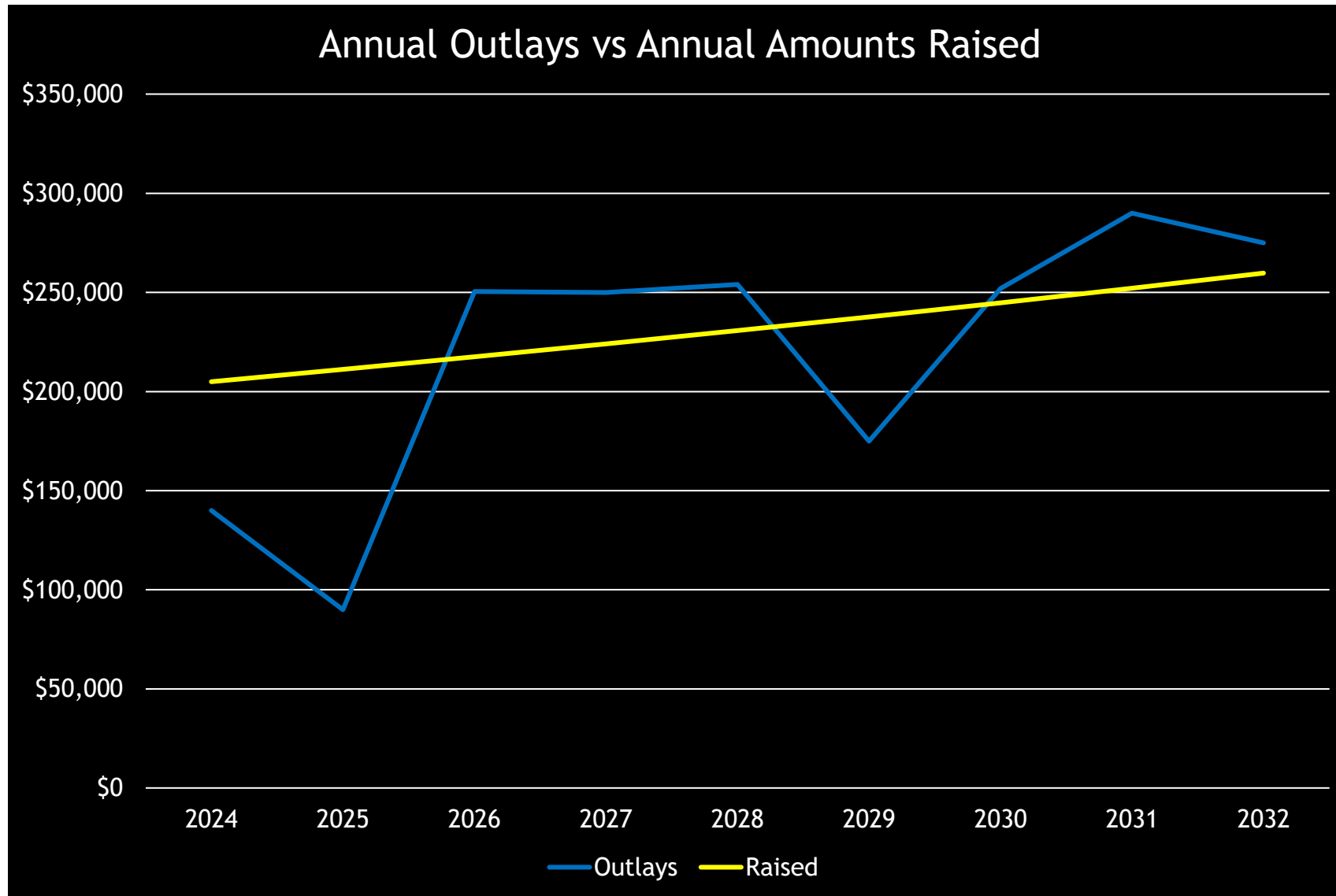


Projections are based on currently planned capital projects and purchases, estimated replacement schedules, and estimated costs in the year of the outlay.

These projections are updated annually with input from dept heads and reviewed by the CIP committee.



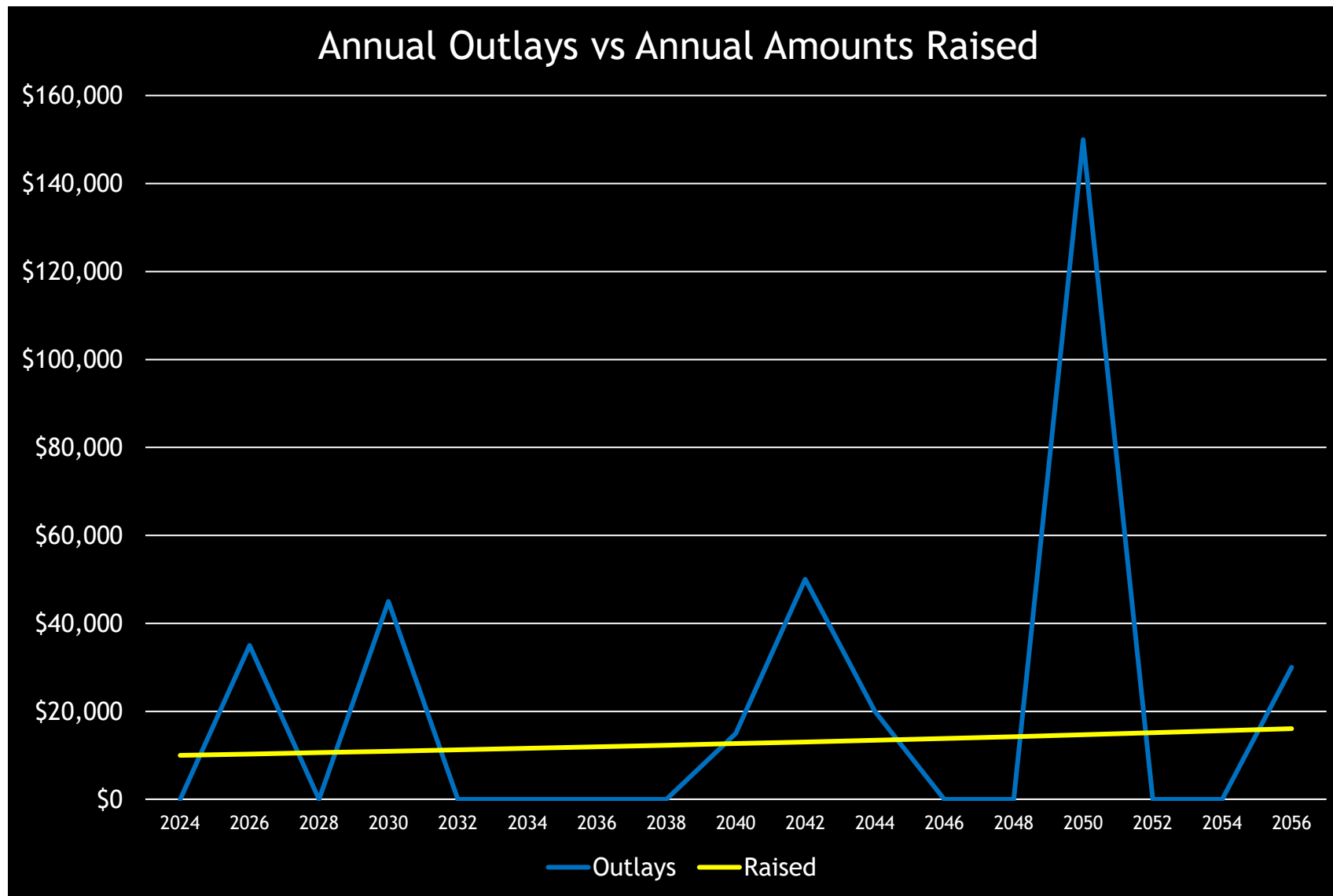
# Public Works Capital Reserve



Projections are based on currently planned capital projects and purchases, estimated replacement schedules, and estimated costs in the year of the outlay.

These projections are updated annually with input from dept heads and reviewed by the CIP committee.

# Municipal Buildings Reserve



Projections are based on currently planned capital projects and purchases, estimated replacement schedules, and estimated costs in the year of the outlay.

These projections are updated annually with input from dept heads and reviewed by the CIP committee.

# Long Term Capital Planning

| Reserve Type                       | Starting Balance 2024 | Additions to Reserves | Total       |
|------------------------------------|-----------------------|-----------------------|-------------|
| Grants Matching Reserve            | \$27,077              | \$2,293               | \$29,370    |
| Revaluation Reserve                | \$60,000              | \$160,000             | \$220,000   |
| Eureka Capital Reserve             | \$3,719               | \$50,000              | \$53,719    |
| Fire Rescue Capital Reserve        | \$142,091             | \$180,000             | \$322,091   |
| Municipal Building Capital Reserve | \$90,512              | \$10,000              | \$100,512   |
| Public Works Capital Reserve       | \$153,088             | \$205,000             | \$358,088   |
| Union Church Restoration Reserve   | \$21,632              | \$9,543               | \$31,175    |
| Total                              | \$498,119             | \$616,836             | \$1,114,955 |

# Long Term Capital Planning Based on Replacement Schedules and/or Life of Asset

- ▶ Fire Department: Article 11 - The amount to set aside annually in the Fire Department Reserve is scheduled to be \$180,000.
  - ▶ To replace all Fire Department equipment in today's dollars would cost approximately \$3 million.
- ▶ Public Works: Article 12 - The amount to set aside annually in the Public Works Reserve is scheduled to be \$205,000.
  - ▶ To replace all Public Works equipment in today's dollars would cost approximately \$2 million.
- ▶ Municipal Buildings: Article 13 - The amount to set aside annually in the Town Municipal Buildings Reserve is scheduled to be \$10,000.
  - ▶ To maintain all Municipal Buildings in today's dollars would cost approximately \$320,000 (septic, roofs, heating/cooling).
- ▶ Note: These amounts would have to be adjusted every 3 to 5 years to account for inflation cost.

# Land Use Ordinance Amendments

- ▶ Housing Density - LD 2003 (Affordable Housing) - Article 24
  - ▶ Allows a second, smaller accessory apartment with any single-family home
  - ▶ Increasing lot sizes when multiple, full-sized homes are proposed
  - ▶ Changes align with comprehensive plan and rural character
  - ▶ State law to be implemented July 1<sup>st</sup>, 2024
- ▶ Solar Energy Systems Standards - Article 25
  - ▶ Currently there are no standards in our ordinances to regulate solar systems
  - ▶ This article implements standards to allow the town to regulate small, medium and large solar systems
- ▶ Codification of Certain Fees - Article 26
  - ▶ Based on input from the Town Attorney, this article will add a definitive fee list into our ordinance and to allow the Select Board to periodically assess fees

# Union Church Property and Restoration Account

## Article 17, 27 and 28

- ▶ Safety Concerns
  - ▶ Structural and Code Assessment
- ▶ Union Church Committee Recommendation
  - ▶ Transfer the Property to the Durham Historical Society
  - ▶ Restoration funds to be used by the Durham Historical Society with Select Board Approval
- ▶ Select Board, Budget Committee, Durham Historic District Commission and Durham Historical Society all support this transfer.
  - ▶ Town to oversee the expenditures of restoration account

# Future Challenges and Opportunities

Durham Town government and finances are in very good shape, but the work continues...

- ▶ Property Revaluation Process - (ECD by 2027)
- ▶ Potential Transition from Calendar to Fiscal Budget Year
- ▶ Long-term plan for Solid Waste
- ▶ GPCOG Assessing Town Properties and Usage (No Matching Grant)
  - ▶ Town Office - Longer Term Solution
  - ▶ Eureka Center Upgrades

Thank-you for coming to  
Town Meeting today!