

Town of Warren
Notice of Public Hearing
Capital Budget Hearing
The Warren Selectboard

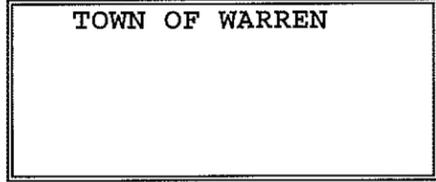
The Warren Selectboard will hold a public hearing on January 26, 2016 at 7:00PM at the Warren Municipal Building to consider amendments to the Capital Budget and Program for the Town of Warren.

The Capital Budget and Program, which has application to the entire geographic area of Warren, contains the following sections:

1. A general narrative description of the Capital Budget and Program, its development and use.
2. A chart representing the Warren Capital Budget And Program for the period of 2016-2021.
3. An appendix containing an analysis of Warren's finances for the period of 2010-2015.

Copies of the Capital Budget and program are available at the Warren Town Clerk's office in the Municipal building during regular business hours.

The Warren Selectboard
Andrew Cunningham, Chair
Bob Ackland, Vice Chair
Luke Youmell
Randy Graves
Henry Mays



CAPITAL BUDGET AND PROGRAM

2016 - 2021

CAPITAL BUDGET PROJECTED FUND 2016

Reserve Fund Budget Forecast Future Transfers

From General to Reserve Fund

Forecast Expenditures

	Beginning Balance 1/31/2015	2016	2017	2018	2019	2015 Actual Expend	2016	2017	2018	2019	Ending Balance 12/31/2015
Highway Department Equipment	\$ 488,202.08	\$ 198,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 425,612	\$ 40,000	\$ -	\$ 275,000	\$ 280,000	\$ 276,741.07
Fire Department Equipment	\$ 490,463.47	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 1,190	\$ 444,900	\$ -	\$ -	\$ -	\$ 571,210.92
A. Town Reappraisal	\$ 291,808.37	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 291,954.65
Town Mapping (State Refund)	\$ 50,709.19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,734.62
Conservation Fund	\$ 174,338.94	\$ -	\$ -	\$ -	\$ -	\$ 2,247	\$ -	\$ -	\$ -	\$ -	\$ 182,178.96
Bridge Repair	\$ 232,335.06	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 252,453.10
Paving	\$ 3,832.36	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 200,531	\$ 220,000	\$ -	\$ -	\$ -	\$ 3,293.94
Fire Protection/Stand Pipes	\$ 25,278.75	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 1,975	\$ -	\$ -	\$ -	\$ -	\$ 28,576.49
Fire Fighter Training & Personal Equipment	\$ 48,888.55	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 172,385	\$ -	\$ -	\$ -	\$ -	\$ 56,536.76
Library Building	\$ 44,792.52	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,815.39
Town Building Renovations	\$ 55,803.57	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000	\$ 29,355	\$ -	\$ -	\$ -	\$ -	\$ 68,569.25
Town Improvements	\$ 16,114.53	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 8,837	\$ -	\$ -	\$ -	\$ -	\$ 27,283.85
Town Planning & Development	\$ 35,983.24	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 16,067	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ 66,249.77
Warren Wastewater System	\$ 6,820.92	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,685	\$ 7,650	\$ 6,000	\$ 6,000	\$ -	\$ 5,138.76
State Lister Training Fund	\$ 1,332.62	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,333.31
Cemetery	\$ 26,967.48	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 33,357	\$ -	\$ -	\$ -	\$ -	\$ 7,442.23
Dam & Covered Bridge	\$ 77,648.37	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	284	\$ -	\$ -	\$ -	\$ -	\$ 117,406.55
TOTAL	\$ 2,071,320.02	\$ 692,000	\$ 704,000	\$ 704,000	\$ 1,154,000	\$ 899,524	\$ 727,550	\$ 21,000	\$ 281,000	\$ 280,000	\$ 2,056,919.62

Warren Capital Budget and Program

PURPOSE:

Municipalities are authorized to adopt capital budgets and programs under 24 VSA Section 4430, the Municipal and Regional Planning and Development Act, provided a facilities and services plan has been adopted as part of the town plan. Such a plan has been adopted by the Town of Warren. The purposes of the capital budget and program are:

- to stabilize the tax rate;
- to improve municipal management practices;
- to enable orderly growth and development consistent with the town's fiscal ability to provide facilities and services, in accordance with the town plan; and
- to anticipate facility and service problems and take advantage of opportunities for service efficiencies.

As a planning tool, the expenditures listed in the capital program are not binding on the Town until adopted by the voters as part of an annual budget.

PROCESS FOR DEVELOPMENT OF A CAPITAL BUDGET AND PROGRAM:

1. Identification of Capital Projects

A capital project is any major, nonrecurring expenditure, such as land or road equipment purchase, or building construction or improvement. These differ from regular, ongoing operating expenses, such as salaries, utilities, road maintenance, etc.

According to Vermont's law, "A capital budget shall list and describe the capital projects to be undertaken during the coming fiscal year, the estimated cost of those projects, and the proposed method of financing. A capital program is a plan of capital projects proposed to be undertaken during each of the following five years, the estimated cost of those projects, and the proposed method of financing." (24 VSA Section 4430).

To develop Warren's capital program, the Selectmen identified the capital projects they anticipate over the next six years. Among their considerations were condition of present equipment, equipment needs, new growth requirements, and facilities to store additional equipment. The School Board identified capital projects they anticipate. Due to the lack of a capital program at Harwood Union High School, additional capital costs at the High School could not be factored.

2. FINANCIAL ANALYSIS

In order to determine Warren's capacity to finance future capital expenditures, a financial analysis of the Town's expenditures and revenues was developed. Trends in expenditures, both operating and capital, since 2010 were studied. Types of expenditures, such as roads, schools, solid waste, fire and police, wastewater treatment system, and general administration, were broken out to identify where growth is occurring. Changes in the grand list, tax rate, and other sources of revenue were also analyzed.

Based on past trends, as adjusted, projections were made of the Town's future revenue base and operating expenditures to 2021. Capital project costs and grand list growth (the major revenue base) are given in today's dollar. Where applicable, debt service already committed to by the Town was factored into the projections, as well. A variable tax rate (based on the compound annual rate of change) was applied to the projected grand list to estimate future revenues. By subtracting projected operating costs, an estimate of revenue available for capital, bonds, and State expenditures was derived. These calculations are contained in the Appendix.

3. BUDGET AND PROGRAM

Capital projects were programmed according to the expected timing of their need. The method of funding for the projects (outright purchase, short term notes, reserve fund, etc.) was based on municipal financial practices and the ability of the budget to absorb expenditures. In other words, if a project would result in a major increase in the tax rate for one year, phasing of the expenditure either by funding through a note, depreciation account, or reserve fund was proposed. The result is a more even distribution of annual expenditures by the municipality and a more stable tax rate.

Adoption of the Capital Budget and Program:

The capital budget and program is adopted in accordance with the provisions of 24 VSA Section 4404(a) of the Municipal and Regional Planning and Development Act. This section requires at least one public hearing by the Selectmen and filing of the proposal with the Town Clerk and Secretary of the Planning Commission at least fifteen days prior to the hearing. The Planning Commission may submit a report to the Selectmen on the proposal prior to the hearing. The capital budget and program is then adopted by an act of the legislative body promptly after the final public hearing.

Process for Use and Updating a Capital Budget and Program:

As the Selectmen prepare their budget for Town Meeting, the first year of the capital program is reviewed for inclusion as the capital budget for that year. Adjustments are made as necessary to the capital budget to reflect more recent cost data and any changes in financing.

The projections for operating expenses and grand list used in developing the program should be weighted against actual experience and modified as necessary. At the same time as the budget is prepared, other capital items in the program should be reviewed. If there are any changes in these items, they can be made at this time. Examples of changes are deferral of a project due to unforeseen priority needs or financial constraints, and additions to the program. Each year as the capital budget is finalized, one more year is added to the capital program. Suggestions for new capital projects should be solicited from the planning commission and road commissioner. The school board should prepare their capital projects so they can be factored. As the capital projects are added, consideration should be given to the method of financing them. Projections of operating expenditures and debt service should be extended at the same time to determine the effect of any capital items on the budget for the additional year.

Format for the Capital Budget and Program:

The chart on the following page represents the Warren Capital Budget and Program for the period 2016 - 2021. The chart, Capital Projects, lists the Town's anticipated capital needs, including various road equipment, school bus, road and bridge improvements, and town buildings. A cost is listed for each item in columns representing the years within the program period. A total dollar amount for capital expenditures is provided by year.

TOWN OF WARREN
CAPITAL BUDGET AND PROGRAM
2016

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TABLE 1: HIGHWAY RESERVE FUND BALANCE PROJECTIONS

Town of Warren
Capital Budget & Program
January 20, 2016

INTRODUCTION:

The Capital Budget and Program is a plan that addresses the Town capital needs within the constraints of available funding over the next few years.

Capital Improvement Program

The Selectmen in 1984 began a financial management process known as Capital Improvement Program (CIP). The purpose of the CIP is to identify and schedule capital expenditures over a six year period. A Capital Expenditure is a one-time, non-recurring expense item, such as the purchase of land, or equipment, or the construction or improvement of a town building. It differs from operating expenses such as payroll or utility cost, which are ongoing. The principle benefit of the CIP is its help in maintain a stable tax rate. Generally speaking, it is an unanticipated capital expense (a new grader, truck or building addition) that will cause the tax rate to vary widely from one year to the next. By state law, the CIP can also be used to the Town in controlling its rate of growth, and in insuring that a large development pays its fair share for any capital expenditure that it may require of the Town. The CIP is of value or planning purposes only. However the annual budget may include contributions to reserve accounts in anticipation of a capital item scheduled for the future.

The Selectboard will hold a public hearing yearly to review and discuss the CIP. Your attendance is encouraged.

Goals of a Capital Budget and Program include:

- Provision of a policy framework for the expenditure of public funds for capital projects.
- Provision of public facilities and services based on reasonable expectations of population and economic growth.
- Efficient and effective use of public funds without exceeding the ability of local government to pay for adequate facilities and services.
- Support for the goals of the municipal plan.

In Support of these goals, the Capital Budget and Program for the Town of Warren includes:

- Review of recent trends in capital and operating expenditures.
- Identification of existing capital assets and replacement schedules.
- Identification of additional capital needs based on new facilities/services or population growth.
- Approval of a 6-year plan of capital expenditures and funding sources based on review of capital needs with the Select Board and department representatives and approval by the Select board.

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In the first of the six years covered by the Capital Budget and program, the list of projects associated costs and funding sources should match the annual budget presented to voters at Town Meeting. Years two through six of the Capital Budget should reflect the best current estimate of capital needs in those years. The Select Board should review the list of projects annually as new information on department needs, project costs and funding sources becomes available. The project list in the Capital Budget and Program should be reviewed and if necessary updated annually.

HISTORIC EXPENDITURES

Annual Reports for the Town were reviewed from 2016 through 2021. The review of Town expenditures covered all departments including highway, library, recreation and general administration costs. School costs were not included. Table 1 provides an itemized list of major capital expenditures for the Town for a 5 year period.

TOWN DEPARTMENTS

At this time the two major components of the Capital Budget and Plan will focus on the Highway Department and the Administrative Departments.

Highway Equipment -

The Town Highway Departments owns and operates 4 tandem Dump trucks, 1 F550 and 1 F350 Foreman pickup. Four of the dumps trucks are replaced on a rotating basis with a useful life of approximately 8-10 years. The smaller work trucks have a replacement useful life of 7.8 years. The department also has two graders and a loader with a useful life of 14.26 years and 12 years respectfully. Other equipment includes a screen all, 1968 tiger mower, a 2012 chipper, and a 2012 hydro seeder and a 2006 backhoe.

The Select Board has carefully considered a variety of useful lives of the various highway departments' equipment. Other towns were surveyed to determine what useful lives they employ in their capital budgeting. Equipment dealers were interviewed to determine estimates of trade in or salvage values at various different useful life scenarios. For example, there are some towns replacing large trucks at 5 to 7 years and another grouping at 10-15.

Based on their research, the Select Board has determine that the useful lives proposed in this Capital Plan and Budget are a good balance between the initial purchase price, cost of financing, trade in values and reliability of the equipment for its intended purposes. This is not an exact science and different useful lives could be used by applying different weights to the above criteria. The Select Board believes that giving the roughly equal weight to the above criteria provides the right balance for Warren residents and taxpayers.

The Town has established equipment Reserve Fund, which can be used to pay for or offset the costs of replacement of major capital equipment.

Fire Equipment –

The Warren Volunteer Fire Department owns and operates 8 fire trucks. These trucks are: E-1 1990 pumper, E-4 4x4 1986 Pumper, L-2 1985 Ladder, E-3 1994 Truck w/pump, E-2 1997 Tanker/pump, T-1 2001 Tanker, and E-21 2008 Support. The schedule was based on rotating bases with a useful life of each vehicle.

Land and Buildings

The existing highway garage is in need of major repair and is not suitable for the town's needs for the foreseeable future. The Town owns the 140.6 acre parcel which includes Brooks Recreational Field, and the land that the Warren School is built on.

The town has established a Town Buildings Reserve Fund that can be used to pay for or offset the costs of town owned buildings.

Other Facilities and Structures

Normal highway maintenance, including resurfacing and drainage work, is considered an operating expense rather than a capital expense. However, the Town does have established a paving reserve account. However, re-constructed roads and upgrades of major culverts, bridges and other facilities may be included as capital projects as the need arises. The town has established a Reserve Fund for Bridges, which can be used for bridge and major culvert replacements. This fund is intended to be used primarily to pay for or offset the town's match for state funded grant programs for the replacement of these major structures.

Administration

Equipment

Administration is listed in the general operating budget. Existing administrative equipment includes 2 copiers, office computers, and fire alarm system and communications equipment. Replacement schedules for these items of equipment are relatively short, ranging from 5 years for copiers and computer to 10 years for communications systems to 15 years or more for the security/alarm system.

Land and Buildings

The town owns the Municipal Building, Warren Fire Station (Main Street), The Town Hall and the Ruby Blair Building. The municipal building houses the administrative office functions of the town and also provides a multi-use meeting space. The fire station was built in 1977, the municipal building was built in 1867, and the Town Hall in 1872. The Ruby Blair House 1830 and the Town Garage 1969, East Warren School House 1896. The buildings have been in need of repair and are starting to have energy efficiency measures done to them. The Town Hall was recently renovated to house the Library.

The town also owns various parcels of land, including the Brooks Recreation Field, Town Garage, and Warren School Land for a total of 140.6 acres, Riverside Park 6 acres, The Eaton Parcel, the Coates Parcel and the old Town Dump. The Village Park & Ride .30 acres, Blair House, Town Hall, Church & Park and the muni building lot 1.93 acres. East Warren School and Common 1 acre. In December 2014, the town acquired the Top Gas Parcel consisting of 51.5 acres.

The town has established a Town buildings and Town improvements reserve funds that can be used to pay for or offset the cost of the town owned buildings and grounds and non-highway equipment.

FUNDING METHODS

A variety of funding methods are available to pay for Capital Projects in Warren. A brief description of each of those methods is given below.

Single-Year General Fund

Most operating costs and capital costs are funded as part of the annual Town budgets, prepared by the Select Board and approved by the voters at the annual Town meeting. Many small capital items are funded in this manner. Capital items under \$3,000 generally are not considered under this Capital budget and program.

Bonding/Borrowing

Large capital items frequently are paid by municipal bonds or through borrowing. By state statute, borrowing for a period of five years or less requires voter approval at an annual or special town meeting (except that the Select Board can borrow without voter approval for highway equipment). Anything over five years requires a "bond vote", which requires an Australian ballot vote. With voter approval the Town determines the best financing options and takes the appropriate action. Payments of principle and interest are spread over a number of years. Terms will depend on the size of the loan, the useful life of the capital item, and the amount of annual debt service that the town wishes to pay.

Reserve Funds

When large capital costs are anticipated some municipalities choose to establish reserve funds. Voter approval is necessary to establish a reserve fund. Once established, the Selectboard has the sole discretion over spending from the reserve fund but they may only use the funds for the purpose for which the fund was established (unless authorized by the voters for some other purpose). The use of reserve funds is a proven method for reducing the impact on tax rates by "smoothing" the cost of major purchases over several years.

Land Records Reserve Fund - Was established for the purpose of making a digital or electronic recorded of existing and future land records which are the responsibility of the Town to maintain with the funding from a \$2.00 per page recording fees paid by person recording documents in the Land Records. The fund allows for the year end transfer of these funds.

Grants, Donations

A variety of outside funding sources, not requiring local tax payments are available. The state has various grant programs for highway, recreation and other projects. An example is the State highway grant programs for Class II paving, structures and bridge replacement programs, and enhancement grants. Warren has been very successful in securing these grant programs over the past 10 years.

Effect of Capital Plan on Tax Rates

There is no doubt that the cost of equipment has risen and will continue to rise during the projections of the next 6 years. For purposes of estimating we have used 2% annual increase for large capital purchase. These increases will directly impact the tax rate; there is simply no way around this issue if we are going to replace capital equipment on a regular basis. The primary benefit of a capital plan and budget and use of reserve funds is to spread those increases over time with incremental increases to the annual budget appropriations.

In addition, the replacement of equipment while it still has some trade in or salvage value reduces the purchase price. Trading before the equipment is entirely worn out also lowers annual maintenance and major costs, we know that one major repair, such as replacement of a truck body, on a large piece of equipment can cost many thousands of dollars.

Finally, most of our large equipment can be reasonably considered "emergency" equipment due to change expectations of the public. The public expectation for maintenance of the roads has become one of "access all the time under any conditions". Fire, police, school buses and these services, we are not able to meet the public expectations. Planned replacement of equipment and planned and regular maintenance of the equipment are key elements in providing service that our residents want and desire.

Warren has established several Reserve Funds including: Capital Highway Equipment (1984), Fire Department Equipment (1984), Town Reappraisal (1993), Town Mapping (1994), Conservation Fund (1999), Bridge Repair (2002), Paving (1996), Fire Protection/Stand Pipes (1996), Fire Fighter Training & Personal Equipment (2010), Library Building (1997) Town Building Renovations (1997) Town improvements (1997) Town Planning & Development (2007), Warren Wastewater System (1998), State Lister Training Fund (2009), Cemetery (2011), Dam & Covered Bridge (1999). The articles as approved by the voters for the establishment of these funds are listed in an appendix to this plan.

The Capital Equipment Reserve Accounts (Capital Highway Reserve Fund) is used for the purchase of large capital equipment items for the Highway Department. It is funded by annual appropriation line item "Capital Highway Equipment Fund". This method provides a relatively, consistent balance to the reserve fund, which provides a "buffer" in any given year that a piece of equipment was needed on an emergency basis. It is funded, upon voter approval, by an annual appropriation in the Selectboard's budget form the line item "Capital Equipment Reserve Fund".

A spreadsheet listing major capital purchase and estimating reserve fund balance is included in this plan, which estimates the annual contribution necessary to meet the planned purchase. In 2013 the annual appropriation is \$180,000. By 2019 the appropriation will need to increase to \$220,000 keep pace with increase costs.

Highway Capital Reserve Fund – 1984

Establishing a capital equipment fund to pay for highway equipment to be identified in the Capital budget which will be funded by annual contributions set forth in the Town's annual budget as line items.

Fire Dept Equipment Capital Reserve Fund – 1984

Establishing a Capital Equipment Fire Equipment fund to pay for fire department equipment to be identified in the Capital Budget which will be funded by annual contributions set forth in the Town's annual budget as line items.

Bridge Repair Reserve Fund – 2002

"Shall the Town vote to change to change the Capital Reserve funds known as "RT 100 Access s Road to "bridge," this fund would be used for maintenance and repair bridges.

Article passed as Warned.

Town Mapping (Stare Refund) 1994

This Fund was established during the Capital Budget hearing as money was given to the town for mapping of the town. Each year Capital Allocations are added to this Capital Account as a line item.

Town Planning & Development – 2007

Capital Account added during budget hearing for future town planning and development.

State Lister Training Fund – 2009

Capital account added to receive funds from the State for Lister Training to manage the Towns tax parcels.

Warren Wastewater 1998 – Account was set up to add the revenue from the existing 5 properties of the wastewater system when the Warren Decentralized Wastewater system was planned and constructed.

Dam & Covered Bridge Reserve Fund 1999

Article as warned:

Article 4: Shall the Town create, and fund with \$10,000 this year, a reserve fund for the maintenance and preservation of Warren Villages' covered bridge and dam.

Article passed as warned.

Conservation Fund 1999

Article as warned:

Shall the Town combine the existing Transfer of Development Rights (TDR) Reserve Fund and the Blueberry Lake Reserve Fund into a newly created Conservation Reserve fund for the purpose of acquisition and perpetual protection of critical agricultural, forest, and open land in the Town?

Article passed as warned.

Cemetery Reserve Fun 2011

Article as warned:

"Shall the Town vote to create a new Capital Reserve Fund called "Warren Cemetery" and allocate \$7,000 for 2011?

Article passed as warned.

Firefighter Training and Personal Protective Equipment Reserve Fund 2010

Article as warned:

"Shall the Town vote to create a new Capital Reserve Fund called "firefighter Training & Personal Protective Equipment.?"

Article passed as warned.

Town Reappraisal Reserve Fund 1993

Article as warned:

"To appropriate the sum \$10,000 to create a reserve fund for the purpose of financing a town Re-appraisal.

Article passed as warned.

Library Building Reserve Fund 1997

Article as warned:

To see if the Town will vote to appropriate up to \$5,000 to the Library Matching Reserve Fund the frits \$2,500 of which to be guaranteed even if enough matching funds are not raised.

Article passed as warned.

Paving Reserve Fund 1996

Article as warned:

To see if the Town will vote to appropriate the sum of \$50,000 to create a reserve fund for the purpose of financing the pavement of roads.

Article Passed as warned

“Shall the Town establish a policy of reconstructing and paving in an orderly fashion existing gravel roads that serve as feeder roads in Town, establishing capital reserves for this purpose at the rate of \$150,000 annually. The purpose of such a program would be to eliminate “mud season” on major arteries; to facilitate access by fire, police, ambulance and other emergency or essential services; to improve the public road system and in the long term to reduce the annual cost of maintain gravel roads?

Article Passed as warned. 2008

Fire Protection/Stand Pipes Reserve Fund 1996

Article as warned:

To see if the Town will vote to appropriate the sum of \$5,000 to create a reserve fund for the purpose of financing extension of the Sugarbush Pipeline Fire Protection System.

Article Passed with amendment that it can be used for other fire protection standpipes/hydrants.

Warren Village Improvements Reserve Fund – 1997

Article as warned:

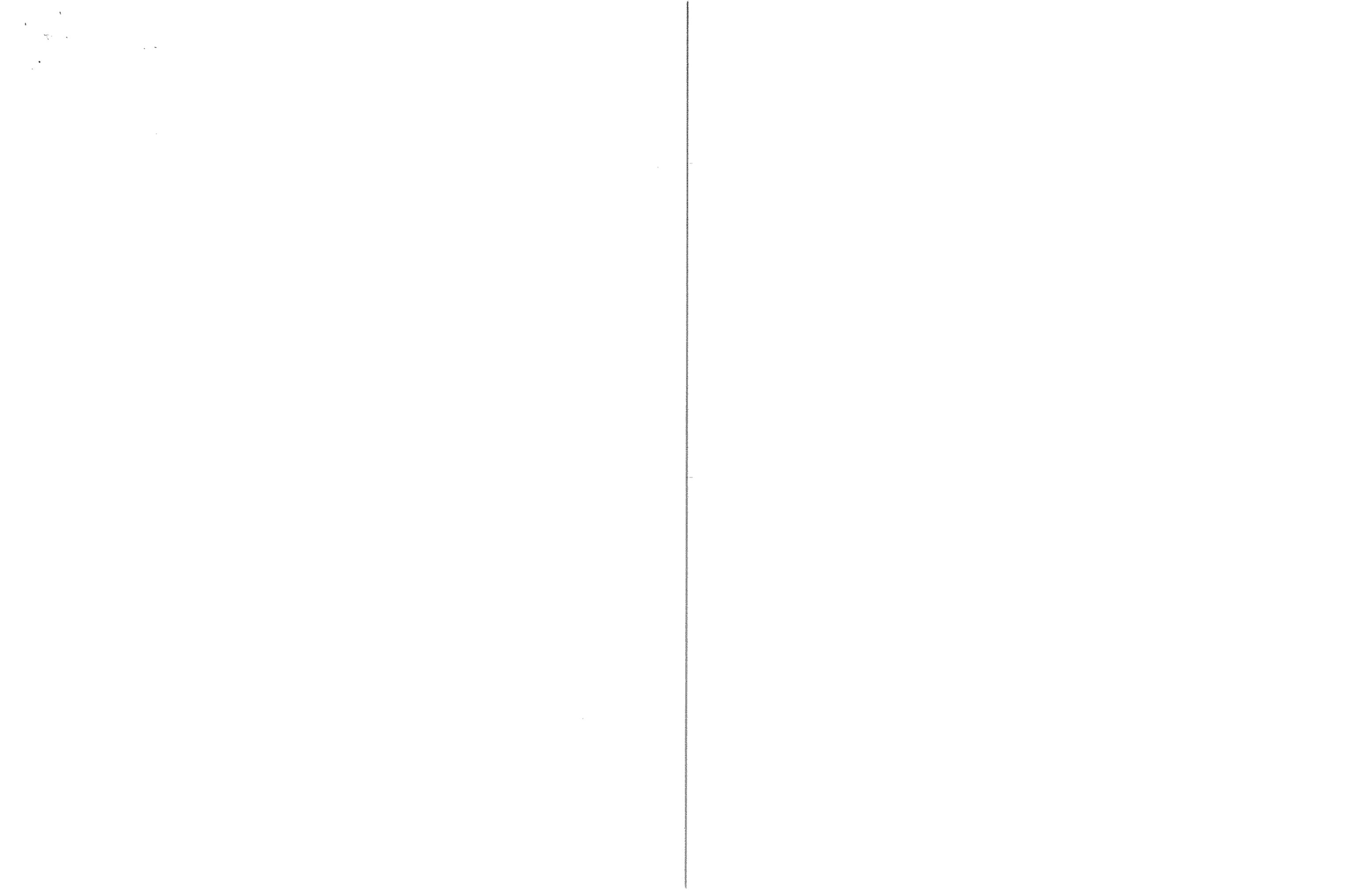
To see if the Town will vote to appropriate \$10,000 to create a Warren Village Improvements Reserve fund.

Article passed as warned.

Town Buildings Reserve Fund 1997

To see if the Town will vote to appropriate \$30,000 to create a Town Building Renovations Reserve Fund.

Article passed as warned.



APPENDIX

FINANCIAL ANALYSIS

TOWN OF WARREN FINANCIAL ANALYSIS

Budget

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
GRAND LIST	7,793,993	7,224,425	7,186,010	7,081,768	7,114,237	7,083,154
TAX RATE	1.42/1.56	1.55/1.72	1.51/1.665	1.79/1.88	1.84/1.87	1.92/1.94
TOTAL ADJ	\$ 11,785,569	12,014,498	11,551,865	13,034,098	\$ 13,254,363	\$ 13,519,939
FED/STATE	534,847	486,033	1,032,643	768,499	492,286	630,862
ACT 60 REAPPRAISAL	-	-	-	-	-	-
WARRENSCHOOL STAGE BOND	-	-	-	-	-	-
OTHER-LOCAL	199,906	172,103	232,967	164,798	167,166	141,600
CONSERVATION GRANTS	4,668	-	-	470	-	-
FEMA/HSU FIRE GRANTS	-	-	8,950	-	-	-
STATE PLANNING GRANTS	-	-	-	5,600	9,400	-
LIBRARY GRANT	3,110	6,385	6,367	4,623	4,640	5,255
OTHER-SCHOOL	101,908	107,574	127,724	129,124	126,916	126,816
TOTAL REVENUE	\$ 12,630,008	\$ 12,786,593	\$ 12,960,516	\$ 14,107,212	\$ 14,054,771	\$ 14,424,472
EXPEND TOTAL ALL	\$ 6,215,831	\$ 6,905,430	\$ 6,720,977	\$ 7,615,470	\$ 6,976,237	\$ 7,624,353
HIGHWAY TOTAL	1,299,845	1,993,101	2,002,155	2,335,834	1,684,571	1,873,013
OPERATING	1,029,845	1,698,101	1,627,155	1,960,834	1,291,571	1,455,013
CAPITAL	270,000	295,000	375,000	375,000	393,000	418,000
PUBLIC WORKS Operating	42,104	43,154	44,155	45,884	47,316	47,662
POLICE TOTAL	40,442	42,951	33,983	33,917	37,236	44,425
OPERATING	40,442	40,076	33,893	33,917	37,236	44,425
CAPITAL	-	-	-	-	-	-
FIRE TOTAL	112,956	121,003	131,918	153,127	150,633	361,630
OPERATING	57,956	46,003	56,918	68,127	65,633	101,630
CAPITAL	55,000	75,000	75,000	85,000	85,000	260,000
FIRE GRANTS	-	-	-	-	-	-
GNL ADM TOT	641,114	592,368	613,399	632,131	614,329	686,107
OPERATING	613,614	554,868	575,899	587,131	589,329	631,107
CAPITAL	27,500	37,500	37,500	45,000	55,000	55,000
TOWN HALL RENOVATIONS	-	-	-	-	-	-
PLANNING and ZONING	137,104	123,010	123,547	122,115	157,753	159,417
PLANNING GRANTS	-	-	-	-	-	-
TOWN MAPPING	11,823	11,770	7,709	8,983	7,078	8,500
OPERATING	6,823	6,770	2,709	3,983	7,078	8,500
CAPITAL	5,000	5,000	5,000	5,000	-	-
REAPPRAISAL	30,000	-	-	-	-	-
VALLEY TRANSIT	943	943	943	943	943	943
VILLAGE WASTEWATER TOTAL	3,583	6,680	10,196	10,728	10,313	9,900
OPERATING	3,583	3,680	3,696	3,728	3,313	3,900
CAPITAL	-	3,000	6,500	7,000	7,000	6,000
WASTEWATER STUDIES	-	-	-	-	-	-
RECREATION TOTAL	47,236	48,095	46,627	43,551	45,969	43,700
OPERATING	47,236	48,095	46,627	43,551	45,969	43,700
CAPITAL	-	-	-	-	-	-
OTHER TOTAL	148,800	188,493	182,738	198,215	210,061	237,778
OPERATING	123,800	166,493	160,738	138,715	138,061	138,778
CAPITAL	25,000	22,000	22,000	59,500	72,000	99,000
WARREN SCHOOL STAGE BOND	21,502	20,772	-	-	-	-
RF 1 WASTEWATER BOND	39,376	39,376	39,376	39,376	39,376	39,376
FIRE POND BOND	25,041	24,506	23,951	23,379	22,793	22,191
SOLAR ARRAY BOND	-	-	-	-	-	36,524
DEBT SERVICE TOWN	-	-	-	-	-	-
SCHOOL TOTAL	\$ 3,613,962	\$ 3,649,208	\$ 3,460,280	\$ 3,967,287	\$ 3,947,866	\$ 4,053,187
OPERATING	2,081,142	2,094,450	2,104,902	2,234,073	2,317,076	2,364,920
CAPITAL	16,000	29,000	22,050	22,050	-	16,951
DEBT SERVICE	5,000	13,938	13,938	41,924	41,039	35,501
HARWOOD	1,511,820	1,511,820	1,319,390	1,669,240	1,589,751	1,635,815

**FIVE YEAR TRENDS COMPOUND ANNUAL RATE OF CHANGE
BASED ON EXPENDITURES**

GRAND LIST	-2.50%
TAX RATE	5.50%
ADJ.TAX REVENUE	2.50%
FED/STATE	3.50%
OTHER	-2.00%

TOTAL REVENUE 2.50%

Expenditures

HIGHWAY	7.50%
SCHOOLS	2.50%
POLICE	2.00%
FIRE	25.00%
GENL ADMN	1.50%
OTHER	3.50%
TOTAL EXPENDITURES	4.50%

OPERATING TRENDS ONLY

HIGHWAY	7.00%
SCHOOLS	2.00%
OTHER MUNICIPAL	2.00%

TOTAL OPERATING 3.50%

**PROJECTED OPERATING EXPENDITURES BASED ON
COMPOUND ANNUAL RATE OF CHANGE
2015 as the base**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
HIGHWAY	1,556,864	1,665,844	1,782,453	1,907,225	2,040,731	2,183,582
SCHOOL	4,080,750	4,162,365	4,245,612	4,330,524	4,417,135	4,505,477
OTHER MUNCPL	1,203,663	1,227,737	1,252,291	1,277,337	1,302,884	1,328,941
TOTAL	\$ 6,841,277	\$ 7,055,946	\$ 7,280,357	\$ 7,515,087	\$ 7,760,750	\$ 8,018,001

**PROJECTED REVENUE AT HISTORIC TREND TAX RATE INCREASE
COMPOUND ANNUAL RATE OF CHANGE 2015 as the base**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
GRAND LIST	6,906,075	6,733,423	6,565,088	6,400,960	6,240,936	6,084,913
TAX RATE	5.5% increase 2.04	2.15	2.27	2.39	2.52	2.66
TAX REVENUE	\$14,061,805	\$14,464,324	\$14,878,365	\$15,304,259	\$15,742,343	\$16,192,968
FED/STATE	652,942	675,795	699,448	723,929	749,266	775,490
OTHER LOCAL	constant 268,416	268,416	268,416	268,416	268,416	268,416
TOTAL REV.	\$14,983,163	\$15,408,535	\$15,846,229	\$16,296,603	\$16,760,025	\$17,236,874
FUNDS FOR						
CAPITAL, STATE Ed FUND,	\$8,141,886	\$8,352,590	\$8,565,873	\$8,781,517	\$8,999,276	\$9,218,873
TAX STABILIZA, BOND PAYMTS.						

DEPT	VEHICLE	MAKE	PURCHASE YEAR	REPLACEMENT VALUE	LIFE CYCLE	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Highway	Tony's Tandum	Western Star	2013	\$220,000	8		\$ 194,627								\$ 240,000	
Highway	Chris' Tandum	International 7600	2016	\$220,000	8				\$ 154,102							
Highway	Spare	International7600	2007	\$220,000	8											
Highway	Elwins	Mac	2011	\$184,625	8								\$ 220,000			
Highway	Andrew's Dodge	Ford F550	2015	\$60,000	7.8			\$ 130,000								\$ 130,000
Highway	Ray's Tandum	International	2009	\$230,000	8				\$ 169,512							
Highway	Foremans P/U	Ford f350	2013	\$40,000	6		\$45,018						\$ 60,000			
Highway	Grader	Deere 672CH	2004	\$260,000	14.26											\$ 260,000
Highway	Grader	Deere 672CH	1987	\$252,000	14.26							\$ 275,000				
Highway	Loader	Deere 544H - Loader	2002	\$153,000	12								\$ 190,000			
Highway	Backhoe	Deere 710K Bachhoe	2015	\$186,773	7				140,772.50							
Highway	Screenall	Kohlgger/Reed														
Highway	Sidearm Mower	Tiger	1968	\$80,000	10											
Highway	Chipper	Chipper	2012	\$20,000	20											
Highway	Culvert Steamer	Novae 8' trailer														
Highway	Bob Cat Skid Stear	Cat	2015	\$29,500					\$ 29,500							
Hi																

Assumptions	Capital Budget Balance 1/1/2015	\$ 505,352	\$ 276,590	\$ 474,590	\$ 684,590	\$ 619,590	\$ 369,202	\$ 389,202	\$ 369,202
	Capital Budget Expenditure FY 16	\$ 425,612	\$ -	\$ -	\$ 275,000	\$ 280,000	\$ 190,000	\$ 240,000	\$ 390,000
	Capital Allocation	\$ 198,000	\$ 198,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 220,000	\$ 250,000
	Ending Fund Balance: \$	\$ 276,590	\$ 474,590	\$ 684,590	\$ 619,590	\$ 369,202	\$ 389,202	\$ 369,202	\$ 229,202

**Based on Local Roads Survey
 **1987 Grader would be replace, 2004 would be Backup Rotation
 **Mower - Lease to Buy 8 years - at \$12,064.21 5% interest
 Over 8 years interest payment \$14,513.68 , \$82,000 P T= \$96,513.68
 *A printout of the projected Equipment Fund through fiscal year 2020is available at the Town offices or on the Town of Warren website www.warrenvt.org