



Durham Annual Town Meeting

SELECT BOARD PRESENTATION

APRIL 5, 2025

Fiscal Year 2026

The Town is transitioning to a July-to-June fiscal year

- It aligns the town with the state's and the RSU's fiscal year, as well as with most other municipalities.
- It helps make accounting for and managing the budget and finances a bit easier
 - RSU and County assessments will be known by the time we vote at the annual town meeting
 - Aligns better with the annual assessment, tax commitment, and municipal valuation reporting processes
- The annual town meeting will be in June, before the fiscal year starts



The transition requires an 18-month fiscal year

- This year's budget runs from January 2025 through June 2026
- As a result, all budget figures being voted on today are roughly 1.5x what they would have otherwise been.
- Once the transition is complete, the town will return to a normal 12-month budget for fiscal year 2027 (July 2026 through June 2027).

Municipal Budget



The municipal budget (what we're voting on today) is the portion of the town's total budget that pays for municipal operations.

Other portions of the town's budget are:

- RSU assessment
- County assessment
- Tax Increment Financing (TIF)
- Overlay

The sum of the municipal budget (net of other municipal revenues), the RSU assessment, the County assessment, TIFs (the town does not currently have any), and overlay is what determines the total property taxes being assessed.

Municipal Budget Appropriations

Articles 5 through 13

	FY24 (12-month)	FY26 (18-month)	% Change (normalized)
General Government	\$667,756	\$1,143,060	14.1%
Public Safety	\$622,495	\$1,055,920	13.1%
Public Works	\$1,865,463	\$2,880,550	2.9%
Community Service	\$16,700	\$1,000	-96.0%
Debt Service	\$780,349	\$805,318	-31.2%
Transfer to Reserves	\$616,836	\$595,652	-35.6%
Total Appropriations	\$4,569,599	\$6,481,500	-5.4%

The % Change is normalized to provide a comparative percentage change from one fiscal year to the next.

It calculates the percentage difference between one-and-a-half times the FY24 amount to the FY26 amount, so that they're on an "apples to apples" basis.

Municipal Budget Tax Levy

Municipal Portion Only

	FY24 (12-month)	FY26 (18-month)	% Change (normalized)
Total Appropriations	\$4,569,599	\$6,481,500	-5.4%
Less: Municipal Revenue	\$2,425,474	\$3,651,770	0.4%
Less: Use of Fund Bal	\$668,000	\$740,000	-26.1%
Municipal Tax Levy	\$1,476,125	\$2,089,730	-5.6%

The % Change is normalized to provide a comparative percentage change from one fiscal year to the next.

It calculates the percentage difference between one-and-a-half times the FY24 amount to the FY26 amount, so that they're on an "apples to apples" basis.

Municipal Budget

Tax Levy

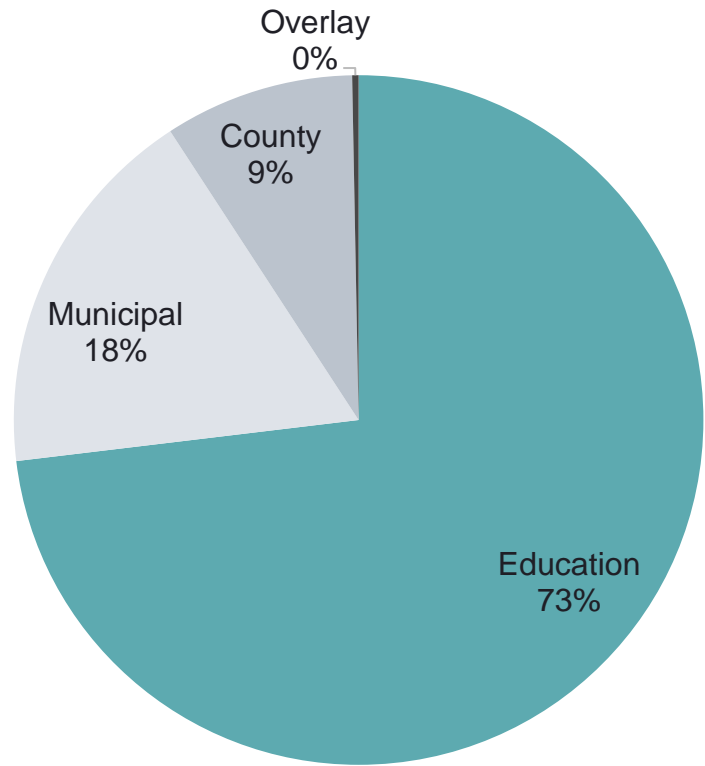
Total Town Budget

	FY24 (12-month)	FY26 (18-month)	% Change (normalized)
Municipal Operations	\$1,476,125	\$2,089,730	-5.6%
Education Assessment	\$6,088,292	\$10,022,466	9.7%
County Tax	\$742,140	\$816,323	-26.7%
Overlay	\$19,751	\$0	-100.0%
Total Tax Levy	\$8,326,308	\$12,928,519	3.5%

The County’s tax assessment for 2025 is a 10% increase over 2024. During the 18-month fiscal year, the town is only being assessed once by the County.

The % Change is normalized to provide a comparative percentage change from one fiscal year to the next.

It calculates the percentage difference between one-and-a-half times the FY24 amount to the FY26 amount, so that they’re on an “apples to apples” basis.



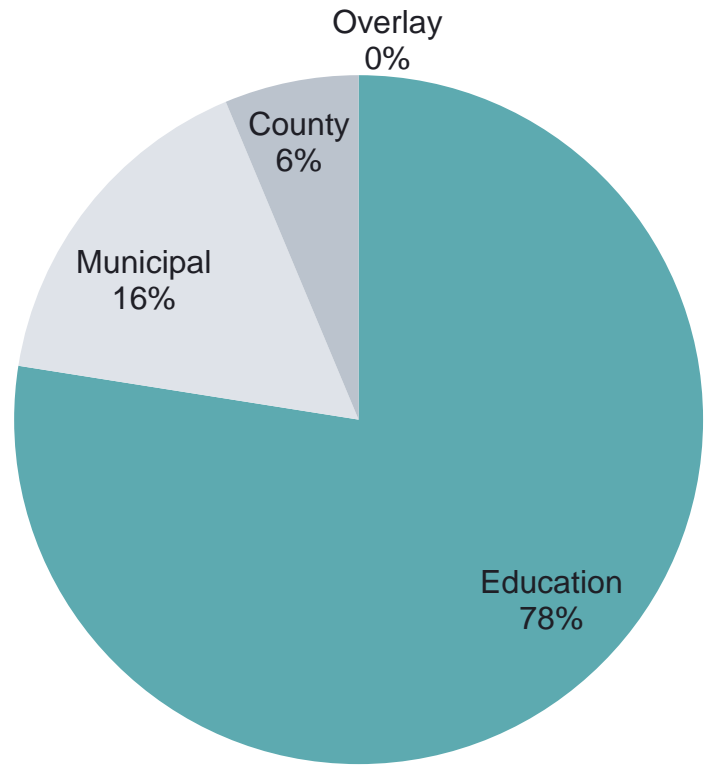
Property Taxes

Where your tax dollars go

FISCAL YEAR 2024

For fiscal year 2024, the total property tax assessment was \$8,326,308 and the resulting mil rate was \$21.75.

	Mil Rate	% of Total
Education	\$15.899	73.1%
Municipal	\$3.850	17.7%
County	\$1.936	8.9%
Overlay	\$0.065	0.3%



Property Taxes

Where your tax dollars go

FISCAL YEAR 2026

For fiscal year 2026, the *estimated* property tax assessment will be approximately \$12,928,519.

Using 2024’s assessed values, the mil rate would be \$33.772.

Remember, this is for an 18-month period, not the normal 12-month period. So, the total tax assessment and the resulting mil rate figures are roughly 1.5x more than what they would otherwise be.

Valuations are finalized just before the taxes are committed and will affect the mil rate. Generally, valuations increase year over year, so the mil rate will likely be lower than the estimate here, all else being equal.

Homestead and BETE reimbursements and the overlay are all based on the mil rate and will affect the final amount for the Municipal portion.

Education is determined by the RSU adopted budget and final amounts are not yet known.

The County portion is lower than all else because there will only be one assessment during the 18-monh period.

	Mil Rate	% of Total
Education	\$26.173	77.5%
Municipal	\$5.471	16.2%
County	\$2.128	6.3%
Overlay	\$0.00	0.0%

General Fund Fund Balance

MANAGING FOR LONG-TERM HEALTH

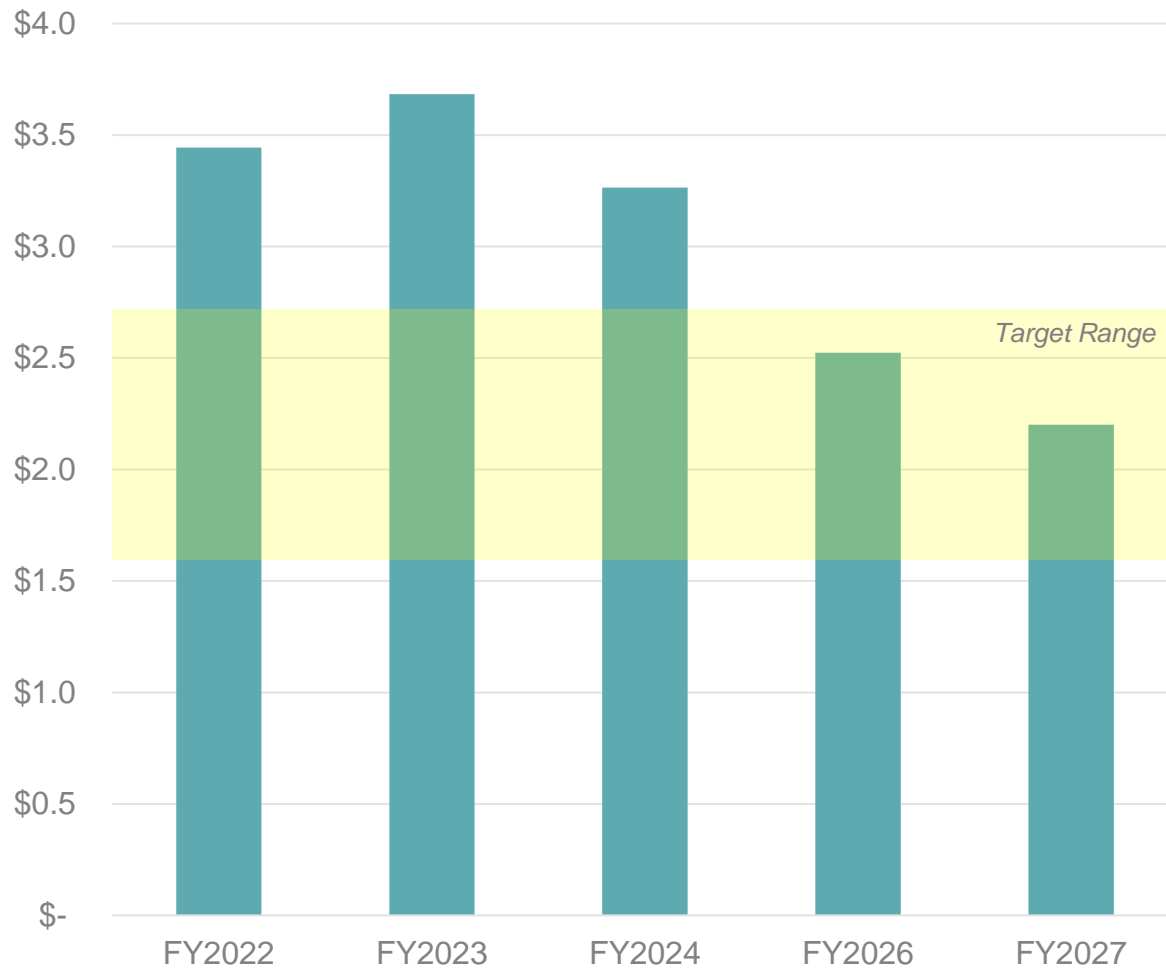
The General Fund's unassigned fund balance ended FY2024 with a balance just under \$3.3 million.

Too little unassigned fund balance means the town becomes financially inflexible and unstable and could start running into cash flow issues.

Too much unassigned fund balance means the town has more than necessary and can use the excess to reduce the tax burden.

In general, the unassigned fund balance should be between 15% and 25% of total annual expenditures.

Given the town's annual expenditures of roughly \$11 million, the target range for the unassigned fund balance is currently between \$1.65 million and \$2.75 million.



FY2026 and FY2027 ending balances are projections

Long-term Debt Amortization

	FY2026	FY2027	FY2028	FY2029	FY2030
2018 Fire Truck	\$117,786	\$58,893	\$58,893		
2018 Roads	\$231,680	\$214,650	\$208,900	\$202,990	
2014 PW Equip	\$182,238	\$91,119	\$91,119	\$79,938	
2019 Roads	\$273,614	\$259,448	\$219,744	\$215,943	\$212,006
	\$805,318	\$624,110	\$578,656	\$498,871	\$212,006

Long-Term Capital Planning

INVESTING IN OUR COMMUNITY

The town maintains long-term capital improvement plan schedules for municipal buildings, public works, and public safety.

The CIP schedules estimate capital acquisitions, construction, and improvements over 10 to 20 years.

The town budgets for these through annual transfers to the reserves.

The annual transfers are intended to be steady amounts every year, regardless of the actual anticipate capital outlays, to prevent large swings year to year due to capital needs.

Copies of the long-term plans are available on the town's website.



Municipal Buildings

Current Balance: \$70,866

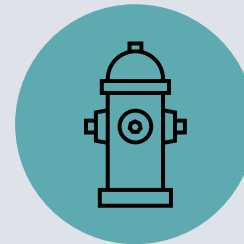
Annual Amount Raised: \$10,000



Public Works

Current Balance: \$329,800

Annual Amount Raised: \$205,000



Fire and Rescue

Current Balance: \$322,091

Annual Amount Raised: \$180,000

Amounts raised for FY26 are 1.5x the annual amount raised due to the 18-month budget

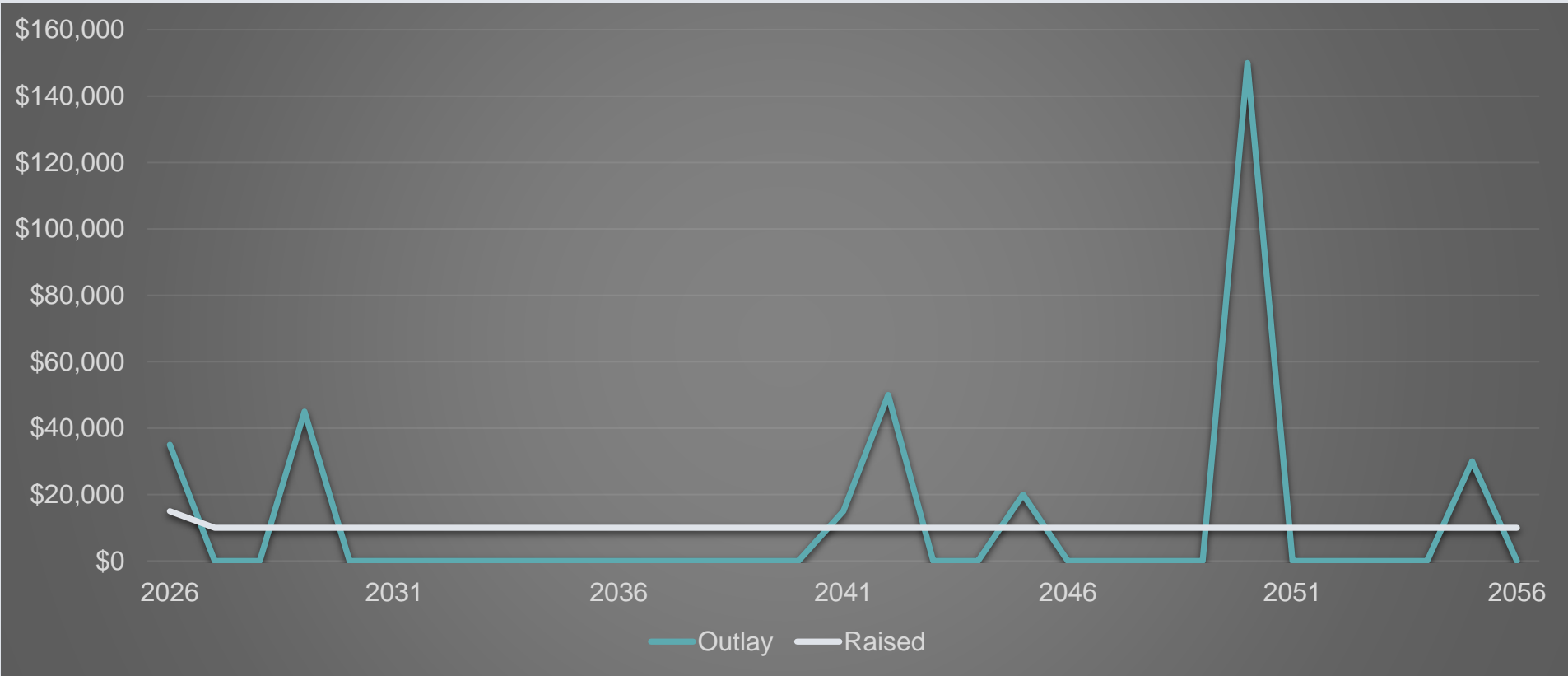
Projections are based on currently planned projects, estimated year of outlay, and estimated costs in the year of the outlay.

These projections are updated annually.

For FY2026, planned outlays are for town office septic system repairs/upgrades, and a fire station boiler.

Municipal Buildings Reserve

Outlays vs Amounts Raised



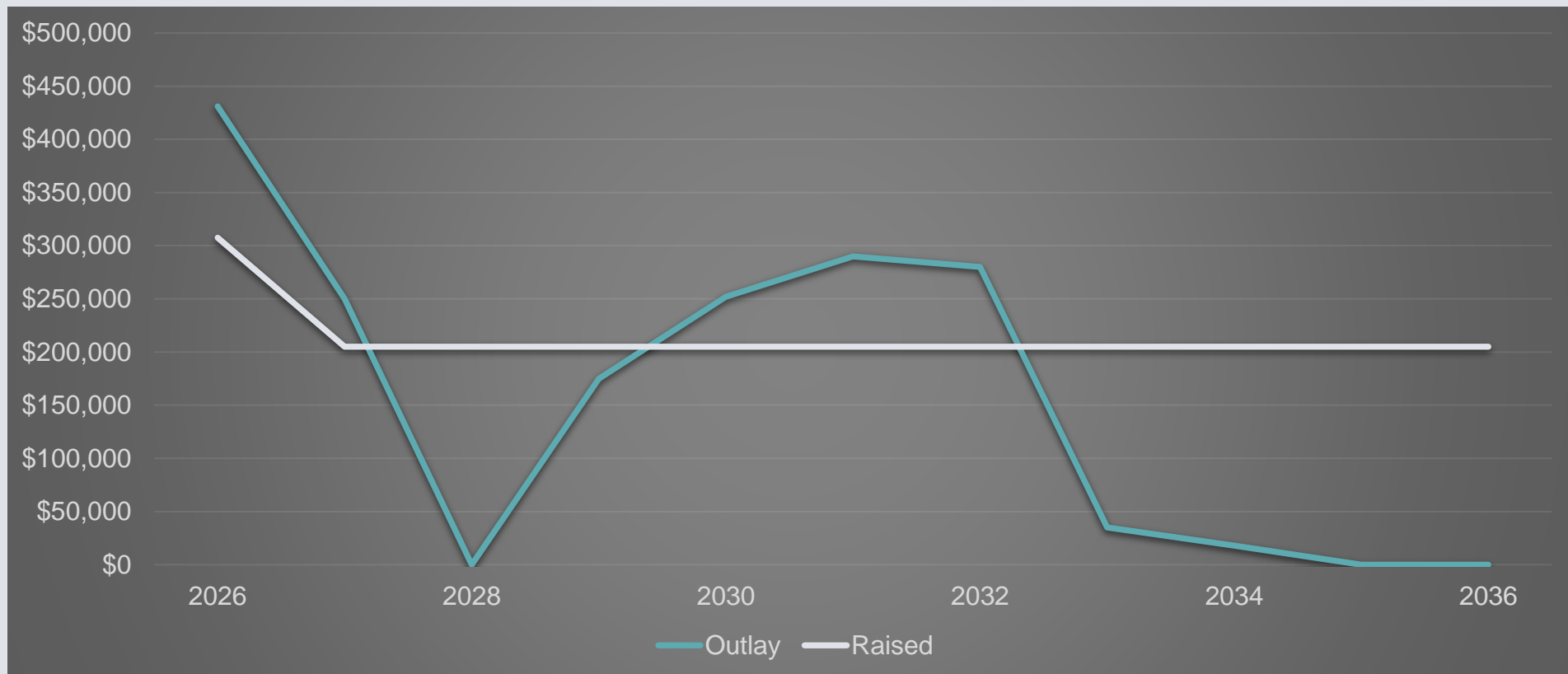
Public Works Reserve

Outlays vs Amounts Raised

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

These projections are updated annually.

For FY2026, planned outlays are for a pick-up truck, a loader, and a flatbed.



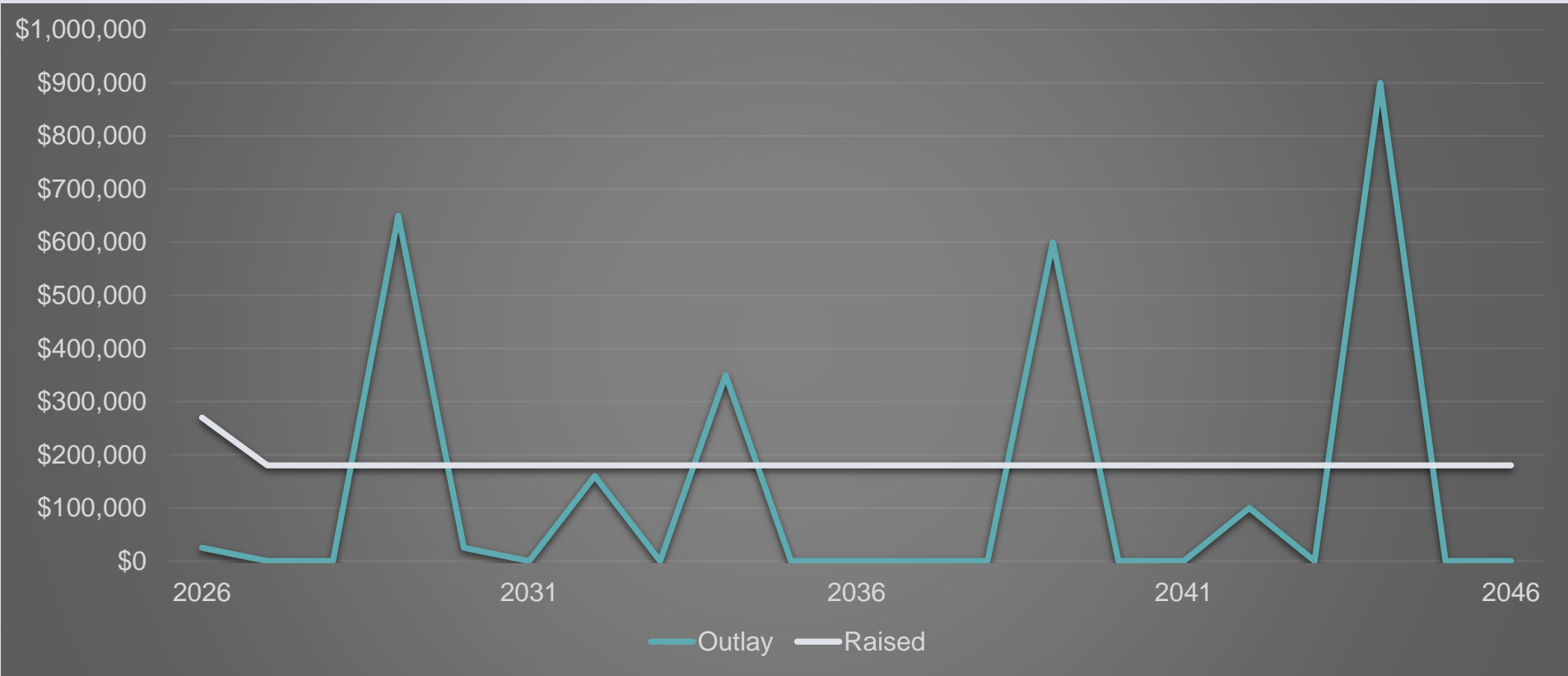
Projections are based on currently planned projects, estimated year of outlay, and estimated costs in the year of the outlay.

These projections are updated annually.

For FY2026, planned outlays are for computer aided dispatch.

Fire and Rescue Reserve

Outlays vs Amounts Raised



Other Town Reserves

In addition to Capital Reserves, the town maintains reserves for other purposes.



Contingency Reserve

Current Balance: \$16,953

Used for unplanned expenditures. Allows the town to be flexible to respond to unexpected events.



Revaluation Reserve

Current Balance: \$220,000

Used to pay for the revaluation of properties to facilitate the fair distribution of taxes based on up-to-date values



Grants Matching Reserve

Current Balance: \$26,848

Used for allow the town to apply for and expend grants that require a town match.



Union Church Restoration Reserve

Current Balance: \$6,423

Used to pay for restoration of the Union Church.

Land Use Ordinance Amendments

- Resource Protection District Revisions – Article 19
 - Boundary adjustments based on new natural resources data provided by the State
 - Removes about 1500 acres added in 2023
 - Facilitates expansions of existing buildings
- Contract Zoning for Large Energy Systems – Article 20
 - Standards for solar farms were added in 2024 to address safety and visual impacts
 - Standards to be added for battery energy storage systems to address safety and environmental impacts
 - Contract zoning to be added to control placement of very large energy system projects
- Historic Preservation Process and Standards – Article 21
 - Standards revised to meet federal and state legal requirements
 - Shift from focus on districts to individual historic properties
 - System streamlined to ensure due process rights for property owners

**THANK YOU FOR
PARTICIPATING TODAY!**

