



TOWN OF RICHMOND

RICHMOND TOWN CENTER

203 Bridge Street, P.O. Box 285

Richmond, Vermont 05477



MEMORANDUM

Date: May 17, 2018

To: Water Commissioners

CC: Kendall Chamberlin, Water Resources

From: Geoffrey Urbanik, Town Manager

RE: FY2019 Budgets and Rates

Earlier in the year, the Commissioners preliminarily approved the FY2019 budgets. Formal adoption takes place at the annual customers meeting, which is next Tuesday. The budgets themselves have fairly modest changes in amounts:

- Operational Spending increasing by \$9,557 for Water; and \$22,263 in Wastewater largely due to new division of funds
- Water Capital increasing by \$8,476 with some debt coming off the books, and adding the loans for the storage tank
- Wastewater Capital decreasing by \$13,533 due to reductions in capital needs
- Water revenue increasing by \$15,673 largely due to higher charges to fire protection fees
- Wastewater revenue increasing by \$11,000 from anticipated higher user receipts

The bottom line is that the Water budget calls for an additional \$2,922 in user fees; and the Wastewater budget calls for an additional \$11,000 in user fees.

On the Water side, I don't believe the rates need adjustment to cover this, as the dollar amount is likely to be realized due to higher billing from increased consumption.

On the Wastewater side, the \$11,000 will be a little more difficult to realize, but the more important fact to review is that last year and this year we'll miss our septage revenue target, leading to a shortfall. This shortfall is typically covered by slashing the reserves at the end of the year. I suggest we review the anticipated septage revenue for FY2019 and prepare to make changes in the budget.