

**Town of Richmond Selectboard Selectboard  
Public Informational Hearing  
Minutes of March 4, 2023**

**Members Present:** Bard Hill, David Sander, Jay Furr, Jeff Forward, June Heston

**Absent:** None

**Staff Present:** Josh Arneson, Town Manager; Duncan Wardwell, Assistant to the Town Manager; Linda Parent, Town Clerk

**Others Present:** Meeting was recorded by MMCTV, Angela Cote, Bob Low, Clint Buxton, Fourclarksvt, Gina Prader, Lisa Miller, Marshall Paulsen, Velma

**Call to Order: 7:00pm**

**Welcome by:**

Heston: Welcome to the Richmond Public Informational Hearing on Saturday, March 4 at 9am. We will open the Public Hearing. Any public comment, question regarding something that is not on the agenda?

**Public Comment:** None

**Additions or Deletions to Agenda:** None

**Review and discuss Article 2: Shall the voters of the Town of Richmond approve a budget of \$4,530,571 to meet the expenses and liabilities of the Town of Richmond? Note: This item will be voted from the floor on Monday, March 6 but is covered in this meeting as public information.**

Heston: We can move into Australian Ballot information hearings for discussing Article Two, shall the voters of the Town of Richmond approve a budget of \$4,530,571 to meet the expenses and liabilities of the Town of Richmond? This item will be voted on from the floor on Monday, March 6, and that meeting begins at six o'clock. We are covering it in this meeting, as public information so we can answer questions people may have.

Arneson: The Public Information hearing is for items that are on the Australian ballot. After we do the budget, we will talk about the waterline vote, and also the Conservation Reserve. We will be having Town Meeting on Monday evening. The voters moved to move it to Monday, March 6 at 6pm at Camels Hump Middle School. The next day is when Australian ballot voting will happen March 7, from 7am to 7pm. That will be the waterline vote, the Conservation Commission Reserve Fund and candidates for public office. The Town of Richmond votes on public questions by voice vote unless the Town specifically moves to have those questions on the ballot. The last couple of years, the legislature put in special powers and the municipalities could move to Australian ballot for the regular public questions, even if their charter says they typically need to do those by voice vote due to COVID. Going back to 2020, the Town voted to move Town Meeting from Tuesday to the Monday night with the goal of increasing participation. This will be our first chance on Monday evening. How do we get to the Meeting back to

a Tuesday or how do we put something on Australian ballot? We would have to vote at Town Meeting to do either of those things. We could also vote to hold an Australian ballot to consider either of those.

Forward: I find that when I go to Town Meeting, I become much better informed. I consider Town Meeting to be a representative democracy as opposed to Greek democracy where everybody votes. We get maybe 200-250 people who show up at a Town Meeting. It is really an important community building exercise. I personally miss our conventional Town Meeting and hopefully go back to it.

Furr: If you have an Australian Ballot budget, there's no opportunity for the townspeople to vote to amend it. It's kind of anti-democratic to do it with 5% of the voters. It's kind of a judgment call. The vote in 2020 to move to Monday night was really close.

Parent: I just wanted to say that we will have the Girl Scouts and the people from the Senior Center will be there with a table. Not one Committee asked to have a table set up for their information.

Heston: When you have 5% of your population voting on something, you don't know if it's a majority of Town. When you talk about who can take time off of work, it's not typically our marginalized communities. We are excluding them.

Hill: Perhaps this should be a discussion item at Town Meeting.

Buxton: All Towns are struggling with participation.

Arneson: No matter how it's voted on in person or Australian ballot, there is at least 3-4 months of work prior to that. There is ample time for public feedback and comments and changes to the budget.

Forward: A failed budget does not mean that the voters are asking to reduce the budget. You really don't know why.

Arneson: We will now go over the FY24 budget overview, followed by a discussion of municipal operations, a review of reserves and unassigned and restricted funds, a review of the debt service, and a review of the budget by Department. Then we'll have questions at the end. We are in the middle of FY23, which began this past July and ends this coming June 30, 2023. The budget being voted on is for FY24, which will begin July 1 of this year and end June 30 of next year.

Reserve funds function like savings accounts and are typically used for larger capital purchases. We have a Highway Reserve fund, and we'll need to purchase a plow truck. Those are thoughtfully planned for and put in and deposited into throughout the budget season. We also have Unassigned and Restricted funds. These are essentially surplus funds if we come to the end of the fiscal year, and we didn't spend all of our expenses due to some reason like vacancy savings, or we receive more revenue from sources. If those come from any Department except for the Highway Department, they're classified as Unassigned funds. They can be used in the future for any Department including Highway. The way Vermont statutes are set up, any money that was raised specifically

for the Highway budget, has to stay with Highway related to either equipment, or personnel or for a project related to Highway.

The spending for FY23 to FY24 is down by about \$566,000 or about 11%. The General Fund is down about \$176,000 or about 6%. The Highway fund is down \$389,000 or about 17%. There is actually a 3.67% increase in the tax rate from FY23. The logical question is if we're spending less then why is the tax rate going up? There's been some change in the way we use Reserve Funds and how those are included in the budget. In FY24, we changed that practice of having it on the expense side and then an offsetting revenue. We put it onto a separate document to indicate that it's in the Town Report at the end of the budget to show the use of Reserve Funds. That's one thing that has come out of the expenses of this budget that makes it a little bit lower than last year. The Capital Reserve Expenditures document for FY24 shows a use of \$234,250 in reserves in FY24 (\$81,250 in the General Fund and \$153,000 in Highway)

We used \$289,000 in Reserve Funds last year. Then we looked at the use of Unassigned and Restricted Funds. In Highway we budgeted to use \$500,000 or about \$400,000 less in use of Unassigned and Restricted Funds. The Tax Revenue for FY23 is \$3,442,540 and for FY24 is \$3,569,902.

That brings us to our tax rate. The Municipal tax rate increased from \$0.7164 to \$0.7427 for a total increase of \$0.0263 per \$100 of property value. This is a 3.67% increase in the tax rate from FY23. The tax rate presented here is based on a Grand List value that we had in July of 2022. The Town is undergoing a reappraisal, so property values are probably going to change. The amount of tax increase based on property value is:

\$100,000 = \$26.29 per year

\$200,000 = \$52.58 per year

\$300,000 = \$78.87 per year

\$400,000 = \$105.15 per year

Looking at total bill, the impacts of the budget on \$100,000 property value, the FY23 tax rate was \$716 that increases by \$26 in FY24 to get to \$742.

The Conservation Reserve Fund is voted on by Australian ballot each year. The question on the ballot is to approve funding the Conservation Reserve Fund by adding one cent to the Municipal Tax Rate in FY 24. The estimated contribution to the Conservation Reserve Fund would be \$48,305 based on the July 2022 Grand List. If the Conservation Reserve Fund question passes, the total increase in taxes based on \$100,000 property value (includes budget as presented and Conservation Reserve Fund) is \$36.29 per year.

The School Tax is also part of your Property Tax. The Education tax is about 70% of your total tax bill. The Municipal rate is only about 30%.

The Highway department is about 41% of the budget which makes sense with the large amount of equipment and projects that they do. It is followed by Administration, Police, Fire, and Library. The less capital-intensive departments are Planning & Zoning, Charitable Contributions, the Assessors and Recreation.

The Water Resources Department budget is separate from the Selectboard or from the General Fund budget and Highway budget that will be voted on Monday. This is governed by the Water and Wastewater Commission. There will be an annual meeting of

the Water and Sewer Commission in May to finalize the budget and rates. The Department serves about 500 accounts mostly located in the Village of Richmond.

Reserve Funds function like savings accounts. Funds can be added to the reserves yearly from tax revenue. Reserves can also be funded with non-tax revenue such as the Town Center Maintenance Fund by rent payments of tenants in the Town Center. The Reappraisal Fund is funded by the State's Act 60 reappraisal grant. Reserves are used mostly for large capital purchases, actual use of reserves does fluctuate a bit based on the current yearly goals. The Reserve Funds factor heavily into the Capital Plan, which plans for all of our large capital purchases over the next five years. The bar graph shows the Reserve Balances as of 6/30/22. The line graph looks at total reserve growth over the last 12 years or so not include ARPA. Historically, this chart hadn't included the Cemetery Fund, the Edmunds Trust, or Scholarships. You can see that we started about \$750,000 in 2012 and we're up to about \$1.8 million in 2022.

The Capital Plan minimizes the use of loans, and we are funding them at a consistent rate so that we don't have large spikes in the budget.

In FY23, we used \$64,500 from Reappraisal Reserve for reappraisal. We budgeted but did not spend in FY23: \$200,000 from Fire Department Reserve for brush truck or \$24,750 from Police Reserve to pay for police cruiser. Due to short staffing and a police department and lack of use of the of the cruisers thinking we can extend their lives a bit more.

The FY24 Reserve Account usage shows the Fire Capital Reserve (\$25,000 Jaws of Life and \$5,000 replacement of roof shingles) and Fire Safety Equipment Reserve (\$18,000 Air Packs, \$9,000 Air Tanks, \$8,000 Turnout Gear). The Highway Capital Reserve plans to spend \$53,000 on a new pickup truck with the plow and \$100,000 on a tractor which is primarily used for roadside milling. We also plan to spend \$16,250 from the New Sidewalk Reserve.

Our auditors said about 16% of your annual budget is a healthy amount to have in Reserves. If you have an unexpected emergency or something comes up, you do have some money to help deal with those issues. The fund balances as of June 30, 2022, are Unassigned Funds at \$848,517 and Restricted Funds at \$940,838 with a Combined Total at \$1,789,355 which represents 35% of the \$5,096,847 FY23 Budget.

The Projected expenditures and increases of Unassigned Funds in FY23 show \$848,517 in General Unassigned Funds with \$581,930 spent on Budgeted and Unbudgeted items. In Highway, there was three large equipment purchases in FY23, which were partially offset by use of Restricted Funds

Our projected FY23 year end balances are about \$266,000 in Unassigned Funds, \$45,000 in Restricted Funds for a combined total of \$1.1 million. The projected total is 24.5% of the \$4.5 million FY24 Budget. We determined that we could use \$500,000 of Restricted Funds in FY24 to offset tax revenue to be raised.

The Projected FY24 year end balances after use of \$500,000 in FY24 budget are \$266,587 in Unassigned Funds and \$345,324 in Restricted Funds with a Projected Combined Total of \$611,911 which is 13.5% of the \$4,530,571 FY24 Budget

The general Town debt, these are the debt bonds and loans that we're still paying on. We have a fire truck that comes due in 2026 and we pay about \$10,000 per year. We have another fire truck also coming due in 2026 that we pay about \$51,000 per year. The 2019 dump truck will have its final payment in 2024 or \$24,000 a year. The 2020 dump truck will have its final payment in FY25 at \$27,000 per year. The road graders final payment is FY24 of \$30,000 per year. The Jericho Road project final payment of \$58,000 in 2032. The stormwater project on Millet St. final payment of \$7,000 in 2032. The Capital Plan is trying to get away from having these loans and will help us avoid larger interest payments on these types of purchases.

We did a compensation study that call for pay increases to most staff positions. The actual increase in FY23 is about \$103,000 for non-Highway staff and \$55,000 in Highway. Employees typically move up one step on the pay grid and a grid will increase for cost of living. We budgeted for about a 5% cost of living knowing that inflation is running around 7%. Beginning this past January, we made the decision for employees to contribute 10% for the health insurance.

The Budget by Department includes in Administration Increased Legal by \$10,000 from \$20,000 to \$30,000, Decreased Independent Auditors by \$18,000 from \$28,000 to \$10,000 by switching auditing companies, and Decreased Technology Equipment by \$6,000 from \$12,000 to \$6,000 with replaced server in FY23 with Unassigned Funds. The Assessors reduced Reappraisal Services by \$64,500. Reappraisal will be completed in FY22. The FY22 expense was offset with use of Reappraisal Reserve Funds. The Police department did not include the purchase of any cruisers in FY24. The Fire Department Reduction of Brush Truck line by \$200,000. This was budgeted to come from the Fire Department Reserve to go toward the purchase of a brush truck. This is offset by use of the Fire Capital Reserve Fund in FY23. Actual expense will be realized in FY24 due to production delays. The Fire Department increased Fire Capital Reserve line by \$95,000 to save for future truck purchases. In Recreation and Trails, we reduced Volunteers Green Parking Lot line by \$5,000. This was for engineering to pave the Volunteers Green parking lot and the project will be completed in FY23. We added a new line for July 4th / Fireworks for a total of \$13,000. The Charitable Appropriations reduced Richmond Rescue by \$19,674. Additional call volume from the addition of Hinesburg and St. George has allowed Richmond Rescue to reduce financial reliance on the Towns they serve. Highway increased \$12,000 in Diesel Fuel, \$6,500 for Crosswalks Illuminated, and \$10,000 for addition of Traffic Calming Measures. Highway also increased \$31,000 in Retreatment and \$20,000 in Stormwater and Sidewalks. Highway reduced \$530,000 in equipment purchases due to purchase of Dump Truck, Bucket Loader, and Excavator in FY23. The equipment was purchased with a combination of FY23 tax revenue and Restricted Funds. Highway also increased \$25,000 in contribution to Highway Capital Reserve Fund. Highway increased \$10,000 in contribution to Guardrail Reserve Fund and reduced \$5,000 in contribution to New Sidewalks Reserve Fund.

That is the end of the presentation and open it up for questions.

Hill: We included some information about Water and Sewer Department. We might pause and talk momentarily about how it operates relative to the Town. It really is a separate budget, with rates paid by the customers. It's a point of confusion when it comes

to bonding which requires a vote of the Town to allow the customers to pay back the bond.

Furr: I'd like to bring up what we're doing with our money. Some people will have noted that we have a lot of money sitting in the bank at any given time. We've talked TD Bank about that and June and I wonder why we aren't using a sweep account to periodically put the money into a more interest bearing account. TD Bank pointed out that they actually have a program that they call the NOW program, which means money can actually stay right where it is, but still be treated as though its interest bearing. Because of the volume of money that we've got in that program, they're actually excusing fees that we would otherwise have to pay.

Heston: At our last meeting, we approved putting some of that money into CDs, so it'll earn more than what it's currently earning.

Cote: I noticed on the Reserve Fund trendline that it's been in the last four years a general sharper trend. Any idea why that's happening in the last three or four years?

Arneson: I think some of it is due to vacancy savings in certain departments where you haven't had every every position of full. Some of that was money coming back from FEMA, where we probably spent it in one year. It does take a couple of years to get things paid back.

Miller: Transfers from the Reserve Funds and so forth, are actually helping to keep a tax increase from being any larger.

Heston: Linda is saying that none of the funds in the cemetery account or restoration funds come from the Town budget. They both are extremely limited in their use, which is true. Although they're in our audit, they are not our money to spend.

**Review and discuss Article 4: Shall general obligation bonds or notes of the Town of Richmond in an aggregate amount not to exceed One Million Nine Hundred Thousand and 00/100 Dollars (\$1,900,000.00), subject to reduction by available state and federal grants-in-aid and other financial assistance, to fund the replacement of waterlines and related appurtenances along Tilden Avenue (approx. 1305 linear feet), along portions of Cochran Road (approx. 1615 linear feet), and along a portion of Bridge Street (approx. 775 linear feet)?**

Arneson: The map shows the locations and specific linear feet to replace aging waterlines:

\*Tilden Avenue: approx. 1305 linear feet

\*Along two portions (Cochran Rd/Bridge St Intersection to House #220 and House #300 to House #393) of Cochran Road: approx. 1615 linear feet

\*A portion of Bridge Street: approx. 775 linear feet

The lines to be replaced are currently:

\*Tilden Avenue has 8-inch diameter cast iron piping that was installed in the 1940's

\*Bridge Street has parallel 4-inch and 8-inch diameter asbestos cement (AC) pipes from the 1970's

\*Cochran Road has a combination of 8-inch asbestos cement (AC) pipe from the 1970's and 2-inch PVC pipe from the 1990's

Arneson: We did recently have a leak on Tilden Ave., so the line is aging and by replacing it will reduce the possibility of leaks. There's going to be replaced with:

\*12-Inch C900 PVC water main on Bridge St.

\*8-Inch C900 PVC on Cochran Rd. and Tilden Ave.

\*C-900 PVC Pipe has been the Town standard and is consistent with the water main replacement projects completed over the past decade

\*Other project components will include replacement hydrants, new isolation valves, copper water services from the new mains to the edge of Town road right-of-way, restoration of pavement, sidewalk/lawn areas

The Total estimated cost of engineering and construction is \$1.9 million. This is a Water and Sewer bond and as such it is a general obligation, secured by a pledge of the full faith and credit of the Town of Richmond. The entire Grand List stands as security for the payment of bond debt service. Therefore the vote on the bond is by all registered voters in Richmond. However, the actual source of payment will be revenues generated by the Water and Sewer utility.

This is going to be funded by the Drinking Water State Revolving Fund (DWSRF). They have a priority list where we scored fairly well. The Town has applied for a subsidy of 50% from DWSRF. This would mean that 50% of the cost of the project would be picked up by the State of Vermont and that Richmond's Water and Sewer utility would pay for 50% of this project. While this subsidy will not be finalized until a later date (expected mid-summer 2023), the Town is well positioned to receive this subsidy.

At a 40 year payback with 0% interest the annual payment would be \$23,750

The Timeline is:

\*March 2023: Bond Vote

\*Summer and Fall 2023: Grant/loan applications, final engineering, bid preparation.

\*Winter 2024: Out to bid for construction

\*Spring/Summer/Fall 2024: Construction

This is not an extension on Rt. 2, this is purely a replacement of existing water lines. We're not gaining any new customers with this. We're not expanding the territory. It's just remove and replace.

Hill: I think there may be an opportunity for customers to couple their work with the contractors work on the Town service line. What would it cost to keep going all the way into my house? My thesis is the galvanized service lines in the 1940s are antiquated.

Paulsen: Galvanized lines rot from the inside out. Anyone who has galvanized lines from the 1940s shouldn't be surprised if their lines are piddling 24/7. That was certainly true when a number of us on Pleasant St. replaced our galvanized lines.

Sander: While it's exposed, people should be prepared to address replacing the service line.

Unknown Speaker 1:26:51

By cycles, you know that it's, it's much less expensive in the long run, to replace than to repair constantly.

Cote: My only point is clarifying on Cochran Rd. that its increasing the capacity.

Hill: The 2-inch pipe is well below code specs anyway. It was probably put in to save money.

**Review and discuss Article 5: Shall the voters to approve funding the Conservation Reserve Fund by adding one cent to the municipal tax rate in the 2023-2024 fiscal year?**

Arneson: Bob Lowe will help us with the presentation. Bob is from the Conservation Commission.

Lowe: This opening slide reminds us that we have an 18-year-old project has been going on every year, it's a multipurpose project. One of his highlights is the leverage it brings in terms of acquiring funds. Last year, it was about 80-81% approval. On the far right of the map which shows you where things have been done. You will see the Recent Projects of Rivershore Trail Improvements, Emerald Ash Borer Control, Bombardier Parking Engineering, Beeken Preserve Riverside Bench, Andrews Forest Trails, and Gillett Pond Dam Replacement. The whole focus of the Conservation Fund is to implement Town Plan initiatives in the general area of recreation, conservation and preservation of our working lands. We see something really quite interesting. To date, there has been a 400% return on taxpayer funding or for every \$1 CRF brought in, \$3.94 was leveraged. The Information Sheet can be found at <https://www.tinyurl.com/2023-CRF>

**Adjourn**

*Furr moved to adjourn. Hill seconded.*

*Roll Call Vote: Forward, Furr, Heston, Hill, Sander in favor. Motion approved.*

**Meeting adjourned at 10:50 am**

**Chat file from Zoom:**

00:32:18 MMCTV Erin: Is the speaker w the hat Angela Cote  
00:32:33 Richmond Town Center Meeting Room: Yes  
00:32:40 Linda Parent: yes, that's angela  
00:44:52 Jeff Forward: While the reappraisal will change the tax rate, it will not change the amount of money to be raised by property taxes.  
00:53:39 Jeff Forward: The purpose of Reserve Funds is to minimize fluctuations in our annual budget due to large capital purchases.  
01:21:48 MMCTV Erin: Who is plaid shirt speakér  
01:21:59 Jeff Forward: Bob Low  
01:22:12 MMCTV Erin: Thanks  
01:22:42 Linda Parent: Just noting to all, that none of the funds in the cemetery account or restoration funds come from the town budget & they both are extremely limited in their use  
01:25:14 fourclarksvt: Please keep the dollar amounts!

01:27:19 Jeff Forward: To be clear, I am not suggesting removing dollar amounts from the slides, I am merely suggesting not repeating the dollar amounts verbally necessarily.

01:30:06 Linda Parent: should that be 2023, not 2024?

01:31:39 Linda Parent: I have had a lot of questions about this, people are confused about this vote and the extension down toward Reaps along Rte 2

01:33:34 Jeff Forward: One of us should post to FPF the distinction that Article 4 is for repair and replacement of existing water lines and specifically has nothing to do with extending water or sewer anywhere in town.

01:45:56 Jeff Forward: Really good point about increasing the potential capacity.

01:49:02 Jeff Forward: These are all really great points. Tyler Billingsley is really good at detailing these kinds of specifications.

01:55:52 Jeff Forward: Maybe include headings on the columns for this slide

01:57:54 Jeff Forward: Explain what Good for Wood is. Great program.

02:00:41 Jeff Forward: In the general presentation the impact on tax bills seemed much higher. I recall \$145 increase for a \$400,000 property value

02:04:23 Gina Prader: Thank you

02:04:51 fourclarksvt: Thank you for all your work on this!