

# Municipal Budget Proposal

## 2025 Fiscal Year



# Today's Agenda

- ❧ **FY25 Budget Overview**
- ❧ **Municipal Operations**
- ❧ **Review of Conservation Reserve Fund**
- ❧ **Review of Social Services**
- ❧ **Review of Reserves and Unassigned & Restricted Funds**
- ❧ **Debt Service**
- ❧ **Review of Budget by Department**
- ❧ **Questions**

# Town Budget Overview

- Fiscal Year Explanation
  - Fiscal Years are named according to the calendar year in which they end
  - The previous fiscal year was FY23
    - FY23 began on July 1, 2022 and ended on June 30, 2023
  - Currently it is FY24
    - FY24 began on July 1, 2023 and will end on June 30, 2024
  - The budget being voted on is for FY25
    - FY25 will begin on July 1, 2024 and will end on June 30, 2025

# Town Budget Overview

(pp. 11 – 21)

- **Reserve Funds** function like savings accounts and are typically used for larger capital purchases or projects
- **Unassigned and Restricted Funds** are a combination of underspending and good revenue – i.e., Surplus, reverts to the unassigned funds and restricted funds
  - **Restricted Funds** are designated specifically to the Highway Department and may not be used for expenses in any other department
  - **Unassigned Funds** may be used for any Town expense, including Highway expenses

# Town Budget Overview

(pp. 11 – 21)

- Spending up from FY24 by \$211,045, 4.58% (p. 19)
- By section
  - General Fund up \$99,645, 3.62% (p. 17)
  - Highway Fund up \$111,400, 6.01% (p. 19)
- 5.10% increase in the tax rate from FY24 (p. 21)

# Town Budget Overview

## (p. 21)

- Municipal tax rate will increase
  - \$0.4682 for FY24
  - \$0.4921 for FY25
  - \$0.0239 increase per \$100 of property value
- This is a 5.10% INCREASE in the tax rate from FY24

# Town Budget Overview

(pp. 11 – 21)

- The tax rate presented here, and all estimates that follow, are based on the Grand List value as of July 2023
- There will be some adjustments to the grand list between now and when the Selectboard sets the final FY25 tax rate in July 2024

# Municipal Tax Rate Increase

(p. 21)

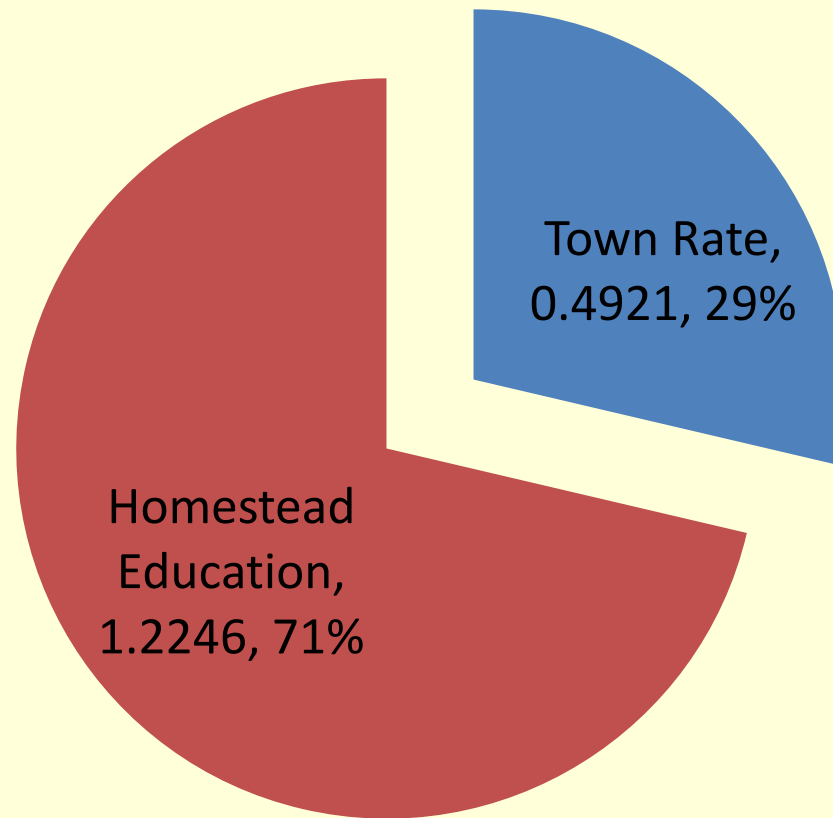
- Proposed tax increase of \$0.0239 from \$0.4692 in FY24 to \$0.4921 in FY25
- Amount of tax increase based on property value:
  - \$100,000 = \$23.88 per year
  - \$200,000 = \$47.76 per year
  - \$300,000 = \$71.64 per year
  - \$400,000 = \$95.52 per year



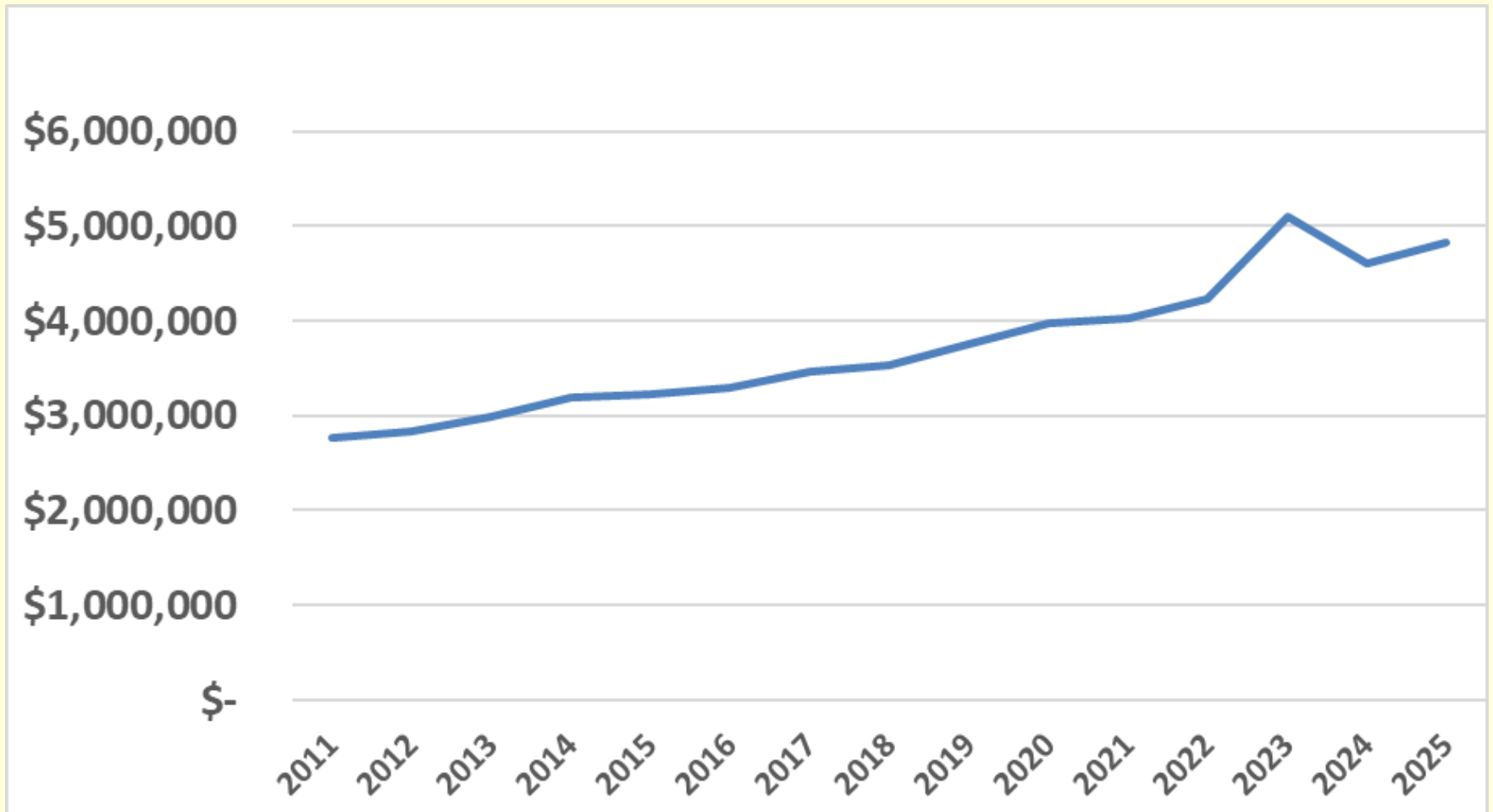
# Impacts of Budget Proposal

Home Value	Current Tax Rate/Bill	FY2024 increase over FY2023	Total New Tax Bill
	\$0.4682	0.0239	$\begin{array}{r} \$0.4682 \\ +\$0.0239 \\ \hline \$0.4921 \end{array}$
\$100,000	\$468	\$24	<b>\$492</b>
\$200,000	\$936	\$48	<b>\$984</b>
\$300,000	\$1,405	\$72	<b>\$1,477</b>
\$400,000	\$1,872	\$96	<b>\$1,968</b>

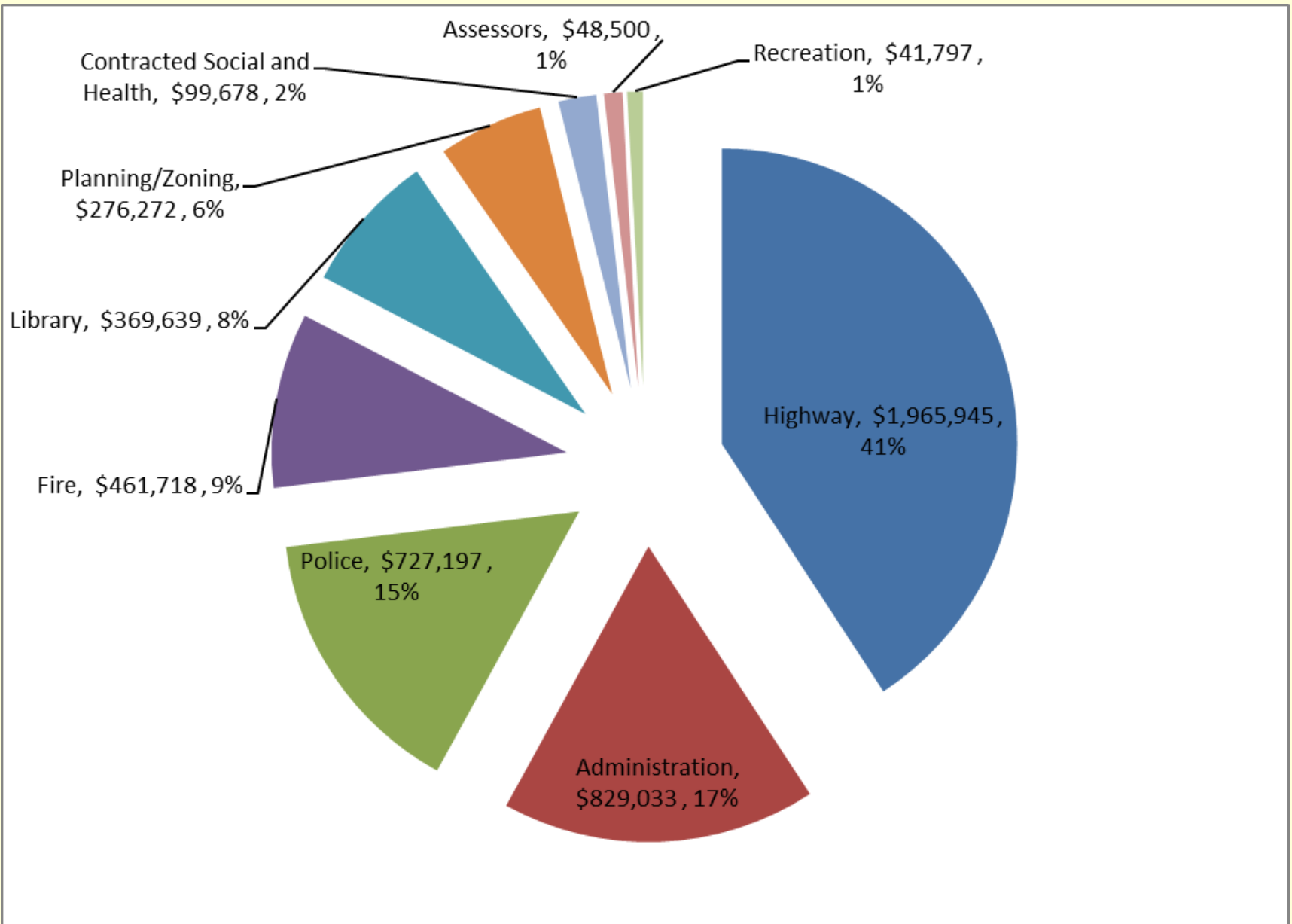
# Projected Town & School Tax Rates FY25



# Richmond Town Budgets



# Allocations by Department



# Municipal Operations Overview

- **Clerk/Administration/Finance:** 1 FT Town Manager, 1 FT Finance Director, 1 FT Town Clerk, 1 PT Asst. Town Clerk, 1 FT (30 hours per week) Assistant to the Town Manager
  - Operate very closely to manage revenue, payments, payroll, policies, and projects

# Municipal Operations Overview

- **Police:** 1 FT Chief, 4 FT officers, 1 PT admin assistant
  - The Chief is shared with Hinesburg

# Municipal Operations Overview

- **Fire Department:** 1 Chief, 1 Assistant Chief, 3 Captains, 1 Lieutenant, 14 Firefighters.
  - All-volunteer department; get paid for hours worked

# Municipal Operations Overview

- **Planning/Zoning:** 1 FT Director of Planning and Zoning and 1 FT Zoning Administrator
  - Issuing permits, reviewing and re-writing Zoning Regulations, staff for Planning Commission and Development Review Board. Staff and assist other committees related to planning



# Municipal Operations Overview

- **Highway/Recreation:** 1 FT Foreman, 1 FT Assistant Foreman, 4 FT drivers/operators;
  - Winter: plow highways, maintain equipment, and plan summer work
  - Summer: gravel road maintenance, maintain equipment, highway drainage work, maintain recreational facilities, larger sidewalk and storm water projects

# Municipal Operations Overview

- **Richmond Free Library:** 1 FT Director and 1 FT Assistant Director (each work 32 hours per week), 6 PT employees, 1 PT substitute employee
  - Governed by the Board of Trustees; voters approve budget

# Other Town Departments

## (pp. 60 – 64)

- **Water Resources Department:**

- Services approximately 500 accounts mostly located in the village of Richmond
- The department consists of a full time Superintendent and three full time staff members
- The Water budget and Wastewater budget contained in the Town Report show the FY24 Budgets that were approved at the Water and Sewer Annual Meeting on May 16, 2023.
- The 2024 Water and Sewer Annual Meeting will be held at a date to be determined in May. The FY25 Budgets will be discussed and considered for approval at that meeting.
- **These budgets are not included in the budget currently being voted on**

# Conservation Reserve Fund

(p. 16)

- This item is voted on each year by Australian Ballot
- The question on the ballot is to approve funding the Conservation Reserve Fund by adding one cent to the municipal tax rate in FY25

# Conservation Reserve Fund

- The estimated contribution to the Conservation Reserve Fund would be \$78,162 based on the July 2023 grand list value of \$7,816,261
- If this article passes the actual funding for the Conservation Reserve Fund will be based on the new grand list value determined after the reappraisal
- \$ 78,162 added to the budget will increase the estimated tax rate from FY24 to FY25 from 5.10% in the proposed budget to 7.24%

# Municipal Tax Rate Increase

- If the Conservation Reserve Fund question passes it will add \$10 in taxes per year per \$100,000 in property value

Increase Without Conservation Fund	Additional Increase for Conservation Fund	Total Increase Including base budget and Conservation Fund
\$100,000 = \$23.88	+\$10 =	\$33.88
\$200,000 = \$47.76	+\$20 =	\$67.76
\$300,000 = \$71.64	+\$30 =	\$101.64
\$400,000 = \$95.52	+\$40 =	\$135.52

# Impacts of Budget Proposal With Conservation Fund

Home Value	Current Tax Rate/Bill	FY2025 increase over FY2024	Total New Tax Bill
	\$0.4682	\$0.0339	$  \begin{array}{r}  \$0.7164 \\  -\$0.0363 \\  \hline  \$0.7527  \end{array}  $
\$100,000	\$468	\$34	<b>\$502</b>
\$200,000	\$936	\$68	<b>\$1,004</b>
\$300,000	\$1,405	\$102	<b>\$1,507</b>
\$400,000	\$1,872	\$136	<b>\$2,008</b>

# **Social Services Allocations**

(p. 17)

- In previous years Charitable Appropriation requests were submitted to the Selectboard and included in the budget for approval by the voters
- Informed by case law and statute attorneys for the Town advised that each social service appropriation be voted on separately by the voters, by voice vote, at Town Meeting



# Social Services Allocations

(p. 17)

- Social Services are defined in statute as:
  - Such programs include, but are not limited to, transportation, nutrition, childcare, medical care, and other rehabilitative services for persons with low incomes, senior citizens, children, disabled persons, persons with a substance use disorder, and persons requiring employment to eliminate their need for public assistance.

# **Social Services Allocations**

(p. 17)

- Requests that do not fit into the statutory definition of a social service could be included in the budget if they can be categorized as something else such as recreation or police services

# **Social Services Allocations**

(p. 16)

- Requests that were considered by the Selectboard to be recreation related were moved to Recreation and Trails in the proposed Town budget:
  - Lake Iroquois Association
  - Richmond Community Band
  - Richmond Farmers Market
  - Camel's Hump Little League
  - Halloween on the Green

# **Social Services Allocations**

(p. 13)

- Requests that were considered by the Selectboard to be Police related were moved to the Police Department in the proposed Town budget:
  - The Chittenden Unit for Special Investigation

# Social Services Allocations

(p. 17)

- Requests that were not considered by the Selectboard to be donations, but instead have a contractual obligation, were moved to Contracted – Social Services in the proposed Town budget:
  - Special Services Transportation Agency
- This section also includes
  - Community Outreach
  - Williston Community Justice Center

# Social Services Allocations

(p. 17)

- Requests that were considered by the Selectboard to be health services were moved to Donations – Health Services in the proposed Town budget:
  - Richmond Rescue
  - UVM Home Health and Hospice

# Social Services Allocations

(p. 12)

- Requests that were considered by the Selectboard to be related to the administration of the Town were moved to Town Administration in the proposed Town budget:
  - Greater Burlington Industrial Corporation
  - Mount Mansfield Community TV

# Social Services Allocations

- Requests that were considered ineligible for a Town appropriation by the Selectboard (a request for funding to purchase a trailer under the sponsoring organization, the Holy Rosary Church):
  - Boy Scout Troop 23



# **Social Services Allocations**

(pp. 109-110)

- This year's allocations to social services are included on the warning for a vote at Town Meeting.
- These are not included in the budget.
- If they all pass as warned it will add \$16,760 to the budget.
- This would be an increase of \$2.14 per \$100,000 of property value.

# **Social Services Allocations**

(pp 109-110)

- Every \$10,000 that is added to the budget equals about \$1.28 per \$100K in property value
- Every \$1,000 that is added to the budget equals about \$0.13 per \$100K in property value

# Reserve Funding

(p. 25)

- Reserve Funds function like savings accounts
- Funds can be added to the reserves yearly from tax revenue and that amount is decided by you, the voters

# Reserve Funding

(p. 25)

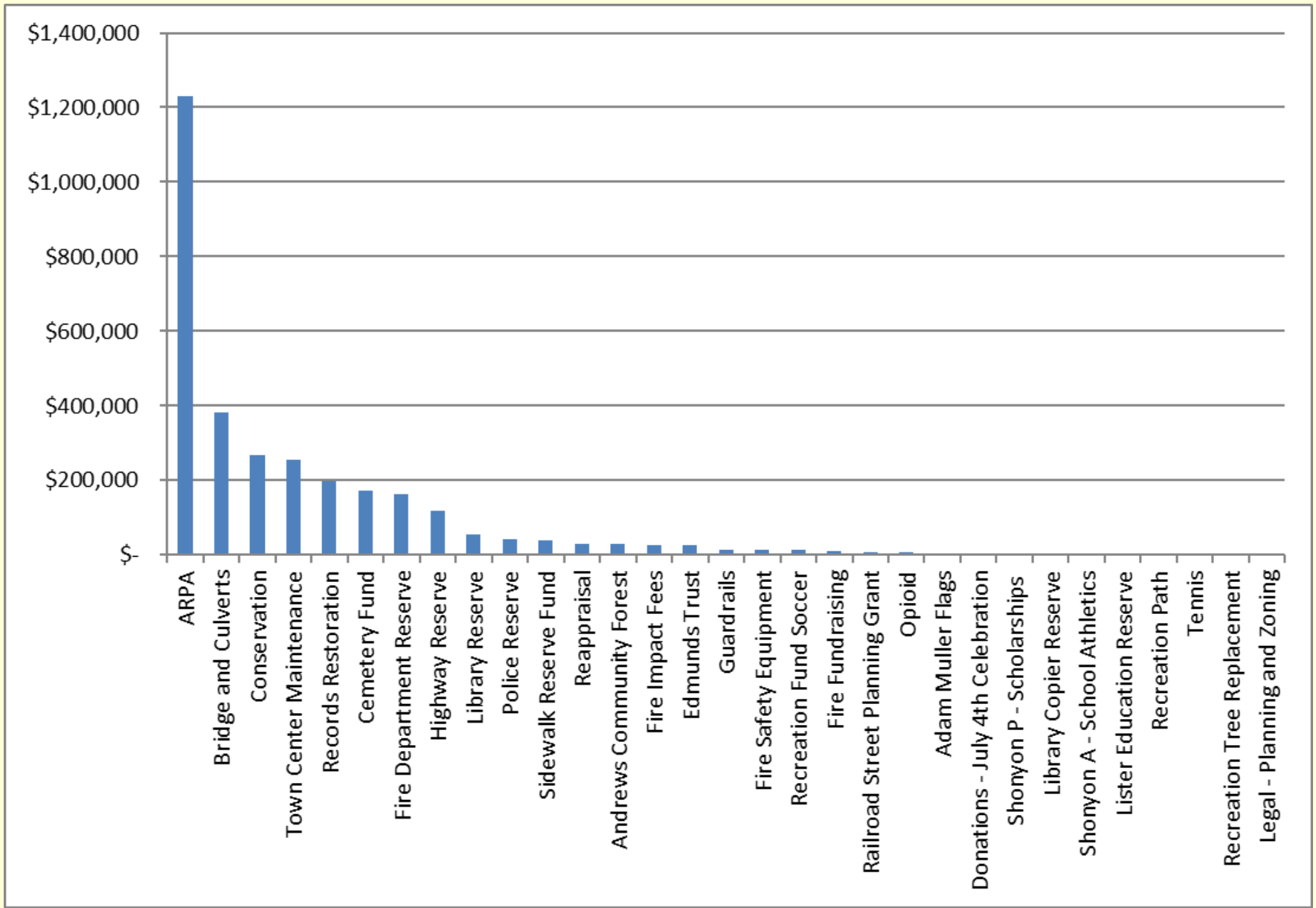
- Reserves can also be funded with non-tax revenue such as:
  - Town Center Maintenance Fund is funded by rent payments from tenants in the Town Center
  - Reappraisal Fund is funded by the State's Act 60 reappraisal grant

# Reserve Funding

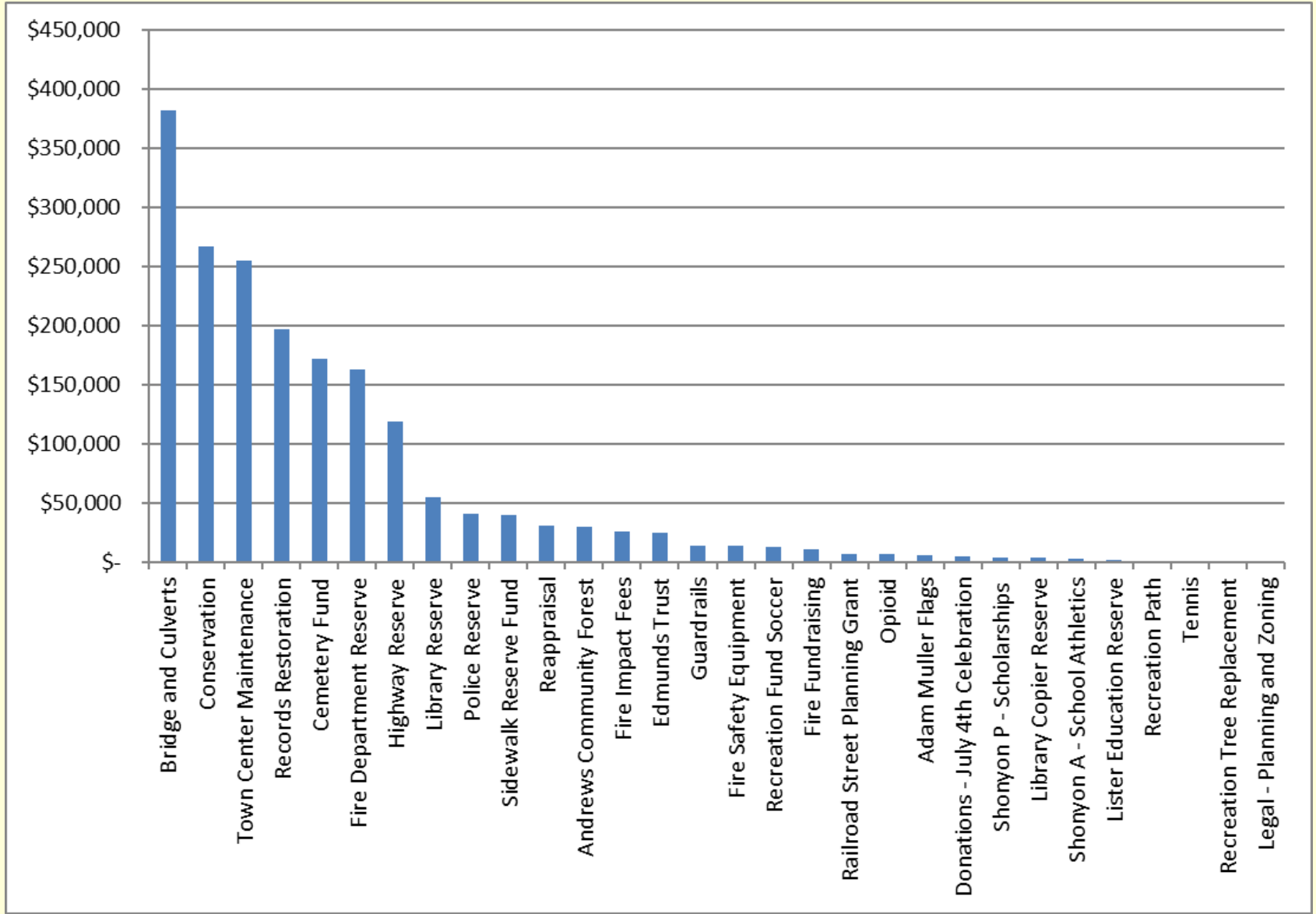
(p. 25)

- Reserves are used mostly for large capital purchases
- Actual use of reserves fluctuate based on the capital plan and emergencies that fall outside of the scope of the budget

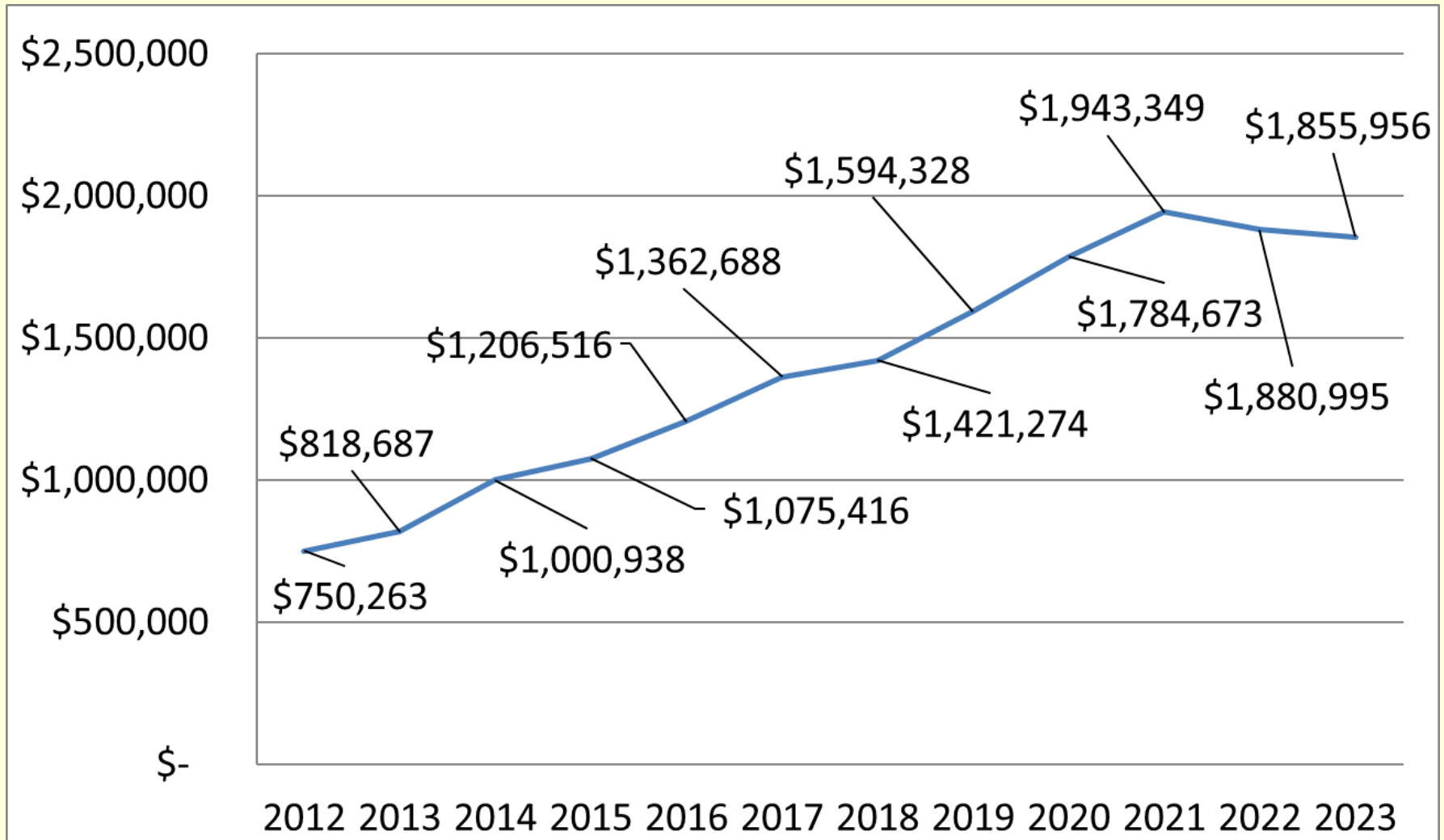
# Reserve Balances as of 6/30/23



# Reserve Balances as of 6/30/23, without ARPA



# Total Reserve Growth 2012-2023



Note: Historical data and this chart does not include: ARPA, Cemetery Fund, Edmunds Trust, Shonyon P – Scholarships, Shonyon A - School Athletics



# Largest Reserve Accounts

(p. 25)

- 89% of all reserve funds are in just 8 accounts

ARPA	\$ 1,229,588	39%
Bridge and Culverts	\$ 381,926	12%
Conservation	\$ 266,951	9%
Town Center Maintenance	\$ 255,419	8%
Records Restoration	\$ 196,801	6%
Cemetery Fund	\$ 171,855	6%
Fire Department Reserve	\$ 162,504	5%
Highway Reserve	\$ 118,701	4%
	\$ 2,783,745	89%

# **FY25 Budgeted Reserve Account Usage**

(p. 22)

- Fire Safety Equipment Reserve
  - \$3,000: Air Tanks
  - \$10,000: Turnout Gear
- Highway Capital Reserve
  - \$52,000: Ventrac Tractor
- Guardrail Reserve
  - \$40,000: Southview Dr.

# **FY25 Budgeted Reserve Account Usage**

(p. 22)

- Library Reserve
  - \$20,000: Boiler
  - \$15,000: Flooring
  - \$15,000: Lighting

# **FY25 Budgeted Contributions to Reserve Accounts**

- Fire Capital Reserve contribution of \$220,000
  - Next purchases
    - Rescue Truck with deposit in FY26 and balance in FY27

# **FY25 Budgeted Contributions to Reserve Accounts**

- Highway Capital Reserve contribution of \$218,000
  - Next Purchases
    - Ventrac Tractor FY25
    - Dump Truck FY26
    - Pickup Truck and Plow FY26
    - Kubota Tractor FY26

# **FY25 Budgeted Contributions to Reserve Accounts**

- Highway New Transportation Infrastructure Reserve created and funded at \$25,000 to pay for new transportation infrastructure such as new sidewalks

# Unassigned and Restricted Funds (p. 25)

- A combination of underspending and good revenue – i.e., Surplus, reverts to the unassigned funds and restricted funds
- Restricted funds are designated specifically to the Highway Department and may not be used for expenses in any other department
- Unassigned funds may be used for any Town expense, including Highway expenses

# Unassigned and Restricted Funds (p. 25)

- The balance can increase in the following ways
  - Reimbursements from FEMA that are received for expenses that were incurred in a prior fiscal year
  - Underspending on budgeted expenses such as when a department has vacancy savings due to being short staffed
  - Grants received to reduce budgeted spending



# Unassigned and Restricted Funds (p. 25)

- Auditors have said a combined Unassigned Fund and Restricted Fund balance of about 15% of the annual budget is “healthy”
- These savings greatly help during an unanticipated crisis and when cash flow is needed

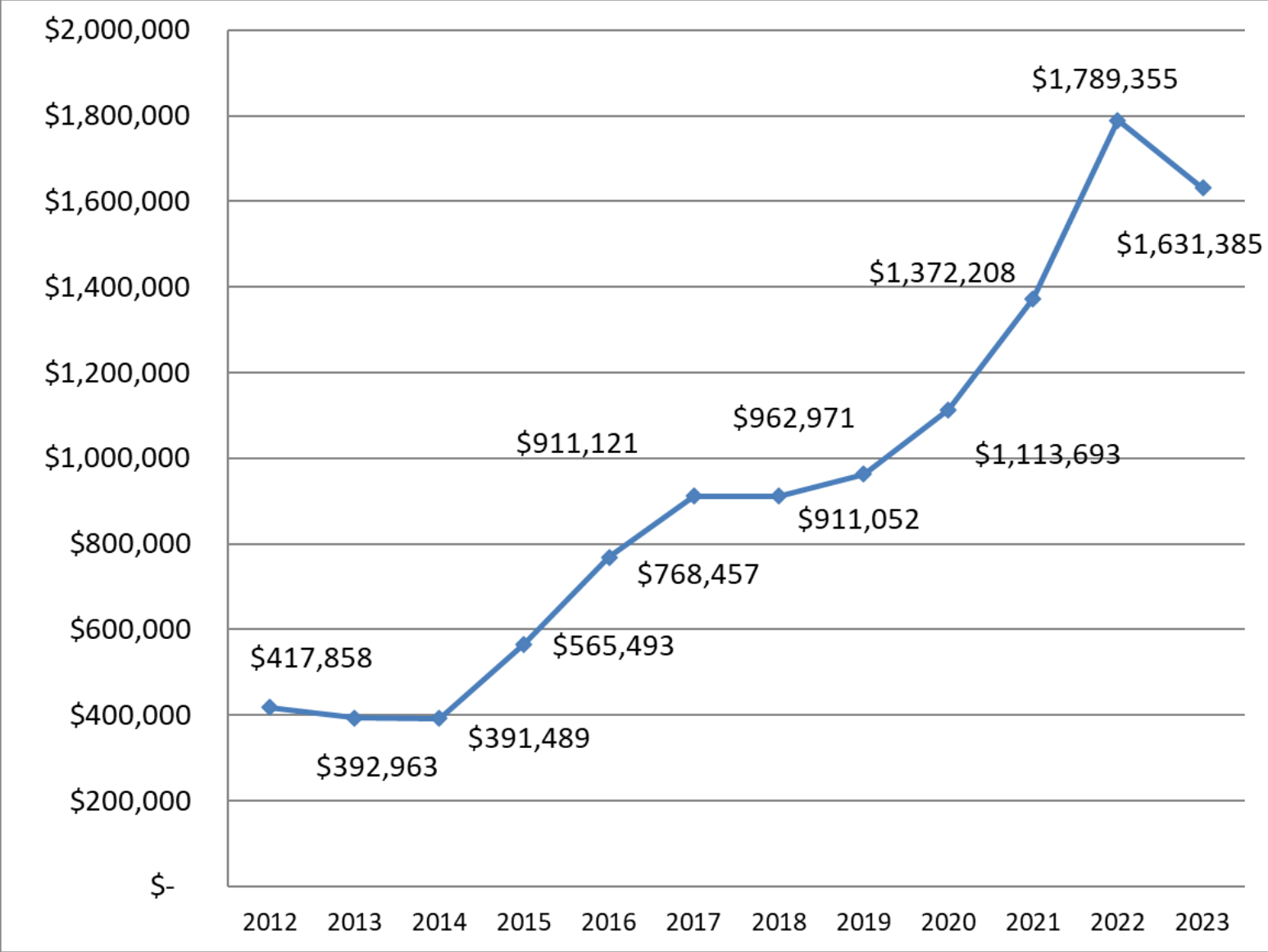
# **Unassigned and Restricted Funds (p. 25)**

- In November 2023 the Selectboard adopted the Fund Balance Policy which puts a limit on unassigned and restricted funds of 15% of the budget
- Anything over 15% must be used for emergencies or put toward the next budget to reduce taxes raised

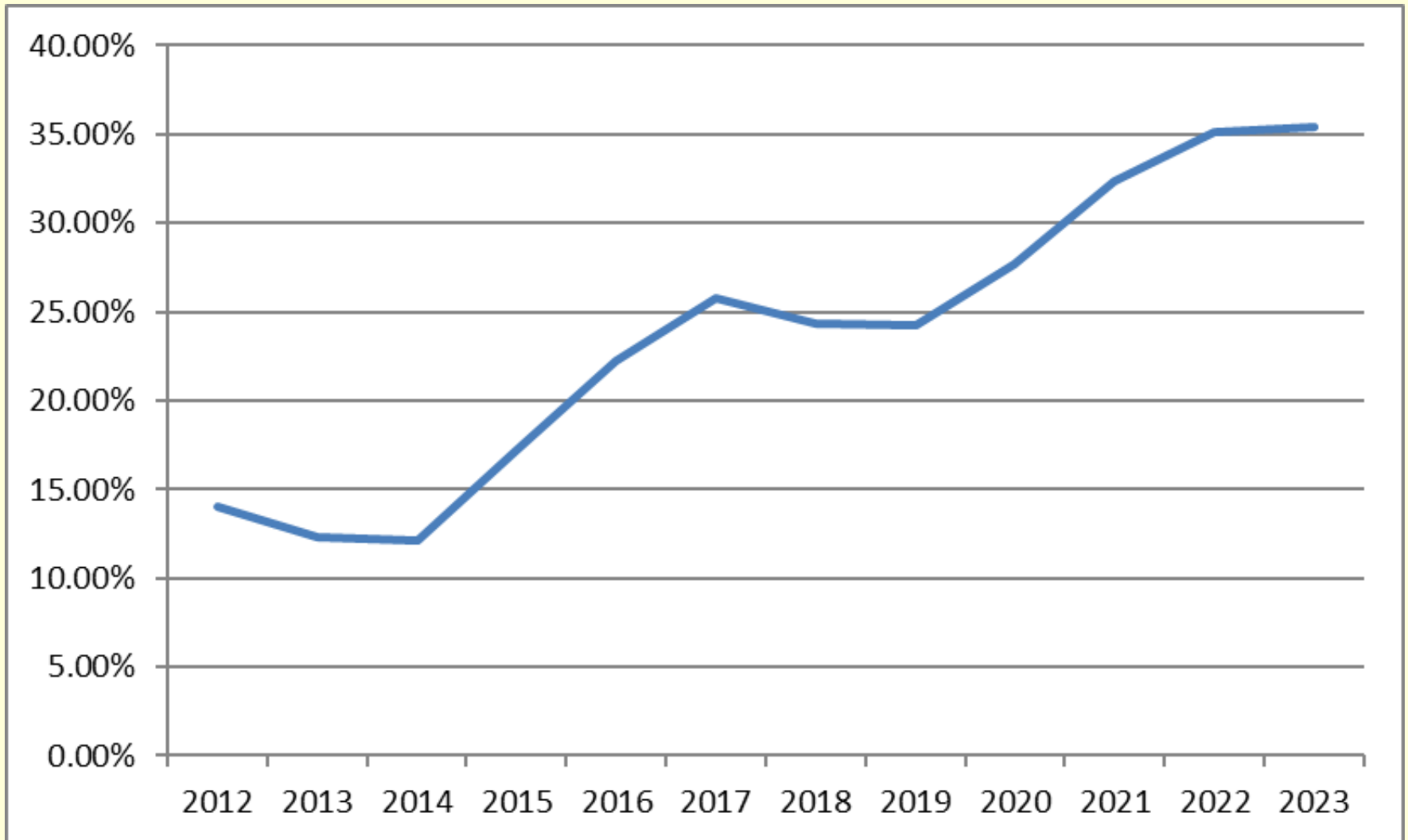
# Unassigned and Restricted Funds (p. 25)

- Fund Balances as of June 30, 2023
  - Unassigned Funds \$922,673
  - Restricted Funds \$708,712
  - Combined Total \$1,631,385
  - Represented 35% of the \$4,608,734 FY24 Budget

# Change in Combined Unassigned & Restricted Fund Balance (p. 25)



# Change in Combined Unassigned & Restricted Fund Balance as a Percentage of Budget Expenditures (p. 25)



# Unassigned and Restricted Funds

(p. 25)

Projected expenditures and increases of Unassigned Funds in FY24

<b>Combined Unassigned and Restricted Fund Balance end of FY23</b>	<b>1,631,385</b>
<b>Projected Uses and Increases in FY24</b>	
Budgeted Use of Restricted Funds to offset tax rate	-500,000
Unbudgeted Expenses - July Flood	-468,266
Unbudgeted Revenue - FEMA reimbursement from Halloween 2019 Flooding	159,949
Unbudgeted Revenue - FEMA reimbursement from Halloween 2019 Flooding	4,474
State Portion of Reimbursement from Halloween 2019 Flooding	42,611
Projected Interest Received over Budget	136,000
Projected Vacancy savings in Police Budget	150,000
<b>Total Unassigned and Restricted Fund Balance projected for end of FY24</b>	<b>1,156,153</b>
Total FY25 Budget Expenses	4,819,779
15% of Total FY25 Budget Expenses	722,967
<b>Amount of projected combined Unassigned and Restricted funds over 15% of budget</b>	<b>433,186</b>

# **Unassigned and Restricted Funds (p. 25)**

- \$433,186 used in FY25 Budget to offset tax rate
- Projected end of FY25 Restricted and Unassigned Fund Balance: \$722,967
- Equal to 15% of FY25 Budget Expenses

# General Town Debt

Does not include Water System Debt

- 2005 Fire Truck = 2026; \$10,126/yr.
- 2018 Fire Truck = 2026; \$50,637/yr.
- 2020 Dump Truck = 2025; \$1,957/yr.
- Jericho Road = 2032; \$57,268/yr.
- Stormwater ARRA (Millet St.) = 2032; \$7,046/yr.



# Budget by Department

## (pp. 11 – 21)

- Changes affecting multiple departments
  - Salaries reflect a step increase and the pay grid increasing by 3%
  - Health Insurance Increase of 12.8%
    - Town pays 90%
    - Employees pay 10%

# Budget by Department

## (pp. 11-12)

- Administration
  - Increase in Contracted Services Independent Auditors of \$3,000 from \$10,000 to \$13,000 to pay for a single audit which is required when the Town spends \$500,000 In federal funds
  - Decrease in Contracted Grounds Maintenance of \$15,000 from \$50,000 to \$35,000 to better reflect actual cost.
  - Offset Community Well Being with \$5,000 from the Opioid Settlement Reserve

# Budget by Department

(p. 13)

- Police Department
  - Budget constructed to include four officers and a contract with Hinesburg for Chief services

# Budget by Department

(p. 14)

- Library Department
  - Offset Technology Public Use Room expenses with revenue added as “Technology – Public Use Room Fees”.
  - This is to transition away from using a reserve fund for these fees.

# Budget by Department

(p. 17)

- Charitable Appropriations
  - All items here have been moved to other sections of the budget. Line items are included here to keep the historical budget information accurate

# Budget by Department

## (pp. 18 – 19)

- Highway
  - Centerline paint & shoulder increase of \$21,400 from \$7,000 to \$28,400 to pay for fog lines on Hinesburg Rd., Cochran Rd., Huntington Rd., and East Hill Rd.
  - Created reserve for New Transportation Infrastructure and funded it at \$25,000

# Budget by Department

(p. 20)

- Revenue
  - Net Interest on General Checking Account increase of \$86,000 from \$14,000 to \$100,000 due to utilizing Certificates of Deposit and higher interest rates in general

Questions?



