

Municipal Budget Proposal 2027 Fiscal Year



Today's Agenda

- ❧ **Municipal Operations**
- ❧ **Review of Reserves and Unassigned & Restricted Funds**
- ❧ **Use of Unassigned and Restricted Funds**
- ❧ **FY27 Budget Overview**
- ❧ **Review of Budget by Department**
- ❧ **Review of Conservation Reserve Fund**
- ❧ **Review of Social Services**
- ❧ **Questions**

Fiscal Year Explanation

- Fiscal Years are named according to the calendar year in which they end
- The previous fiscal year was FY25
 - FY25 began on July 1, 2024 and ended on June 30, 2025
- Currently it is FY26
 - FY26 began on July 1, 2025 and will end on June 30, 2026
- The budget being discussed tonight is for FY27
 - FY27 will begin on July 1, 2026 and will end on June 30, 2027

Municipal Operations Overview

- **Clerk/Administration/Finance:** 1 FT Town Manager, 1 FT Finance Director, 1 FT Deputy Town Manager, 1 FT Town Clerk (Elected and not supervised by the Selectboard or Town Manager), 1 PT Asst. Town Clerk (12 hours per week. Supervised by the Town Clerk)
- Operate very closely to manage revenue, payments, payroll, policies, and projects

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. Updating Town Plan.

Municipal Operations Overview

- **Police:** 0.5 FT Chief, 4 FT officers, 1 PT admin assistant
 - The Chief is budgeted in FY26 to be shared with Hinesburg

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
 - Board of Trustees prepare the budget for consideration by the voters

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

- **Highway:** 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

Water Resources Department:

- Services approximately 500 accounts mostly located in the village of Richmond
- The department consists of a full time Superintendent one full time Assistant Superintendent and two full time staff members
- The 2026 Water and Sewer Annual Meeting will be held at a date to be determined in May 2026. The FY27 Water and Wastewater budgets will be discussed and considered for approval at that meeting
- The Water and Wastewater budgets are funded by rate paying customers of the Water Resources Department and septage haulers
- **These budgets are not included in the budget currently being presented or voted on at Town Meeting**

Reserve Funds and Unassigned & Restricted Funds

- **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 revenue in excess of budgeted revenue – this surplus, reverts to the unassigned funds and restricted funds
 - **Restricted Funds** are funds from the Highway Department. Statute used to limit them only to use in the Highway Department, however the law has changed and they may be used for any Town expense
 - **Unassigned Funds** may be used for any Town expense, including Highway expenses

Reserve Funding

- 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

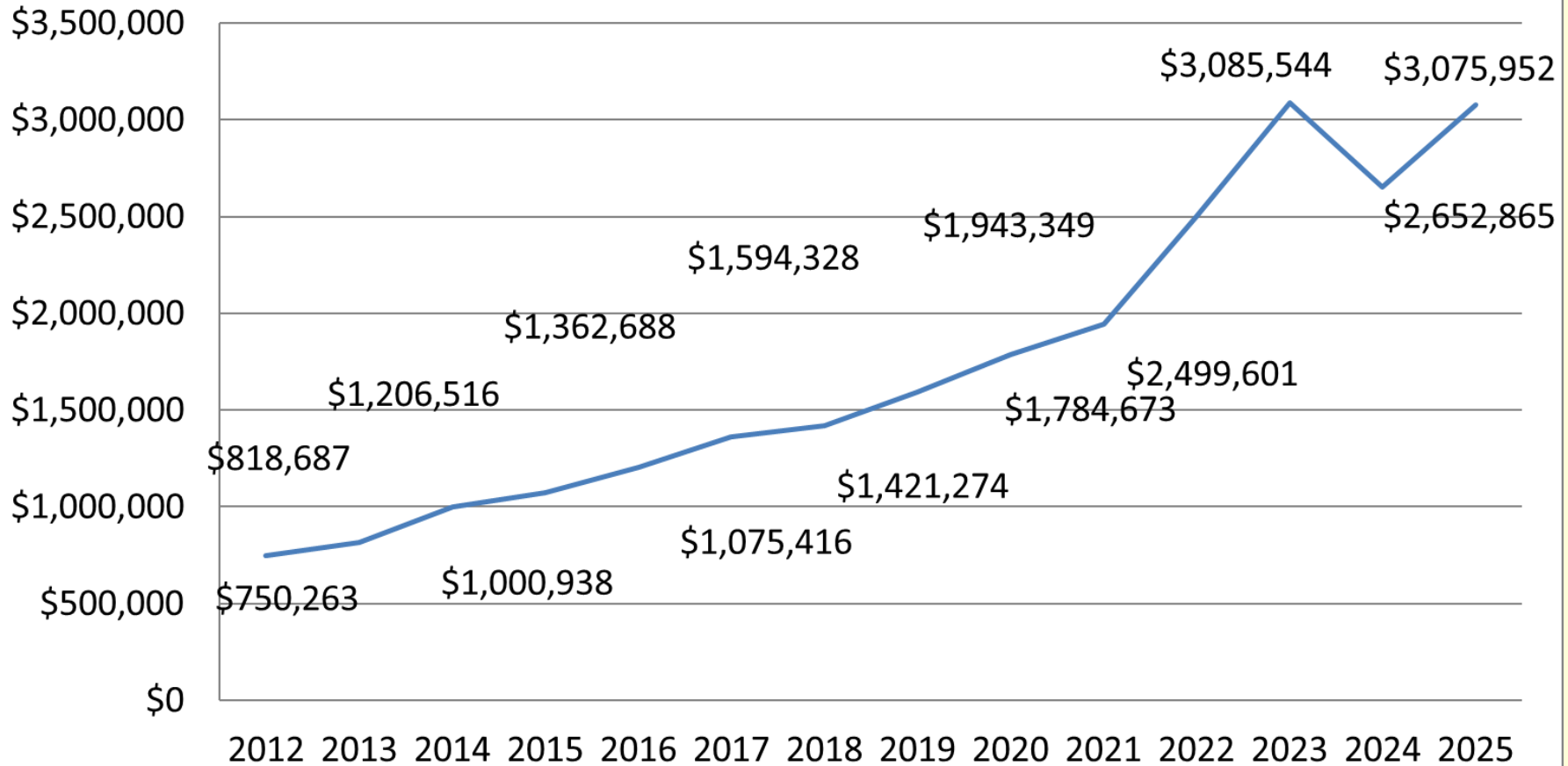
Reserve Funding

- 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

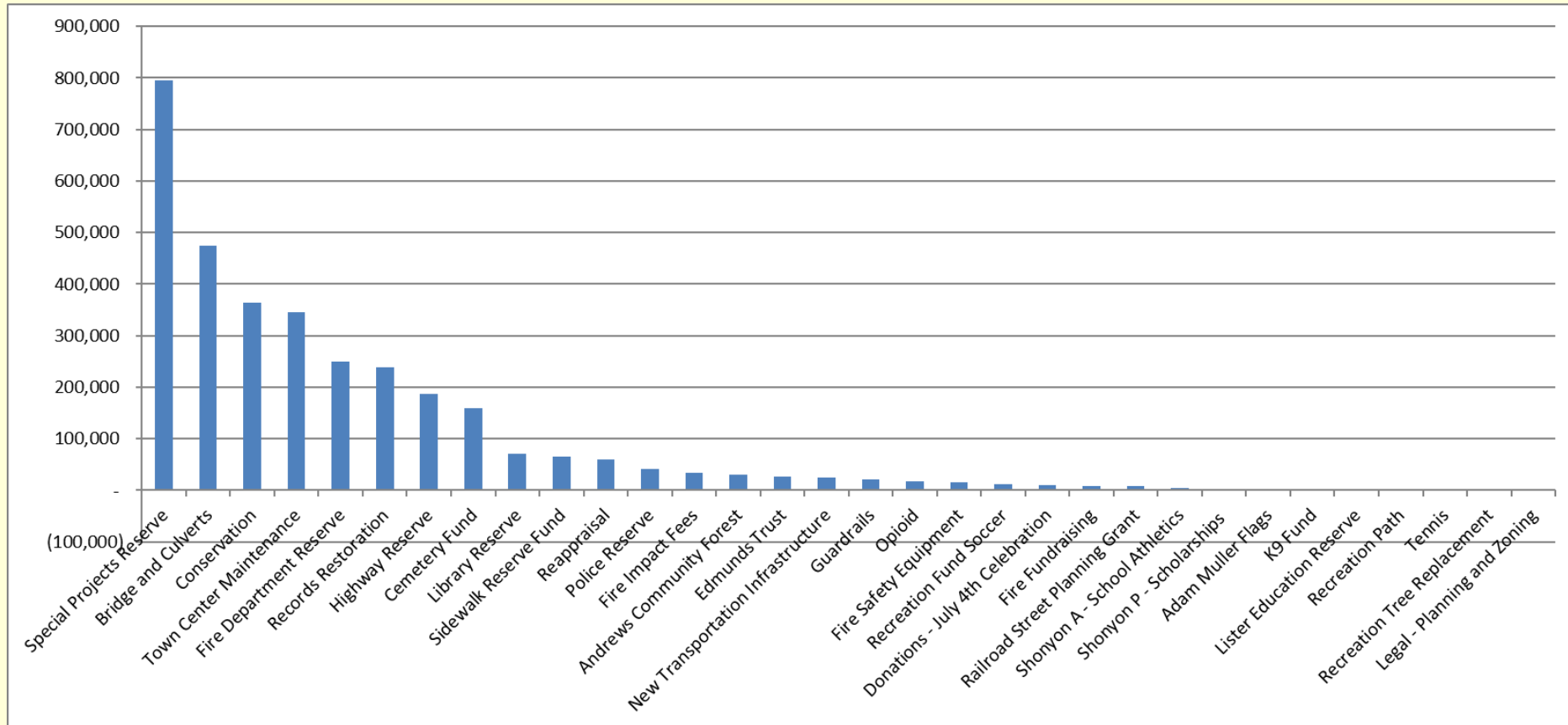
- Reserves are used mostly for large capital purchases
- Actual use of reserves fluctuate based on the capital plan and emergencies that fall outside of the scope of the budget

Reserve Totals 2012-2025



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

Reserve Balances of 32 Reserve Funds as of 6/30/25



There are 32 Reserve Funds, but 81% of all money in reserves are in just 7 Reserve Funds

Special Projects Reserve	\$795,811	24.35%
Bridge and Culverts	\$473,926	14.50%
Conservation	\$363,971	11.14%
Town Center Maintenance	\$344,825	10.55%
Fire Department Reserve	\$249,897	7.65%
Records Restoration	\$238,036	7.28%
Highway Reserve	\$186,802	5.72%
Total		81.2%

FY27 Planned Reserve Account Usage

- Total planned usage: \$518,455
- Police
 - \$85,000: Cruiser
 - \$8,500: Portable Radios
 - \$12,500: Dash Cameras
 - \$4,500: Mobile Data Computers
- Fire
 - \$15,000: Washing Machine
 - \$45,000: Roof shingles on Main Structure

FY27 Planned Reserve Account Usage

- Fire Safety Equipment Reserve
 - \$16,000: Turnout Gear
- Highway Capital Reserve
 - \$260,000: Dump Truck
 - \$16,955: Tractor/Loader
- Library
 - \$30,000: Interior Painting
 - \$25,000: Circulation Desks

General Town Debt

- Jericho Road = \$53,703/year
 - Final payment is in 2032
- Stormwater ARRA (Millet St.) \$7,046/year
 - Final Payment is in 2032

Unassigned and Restricted Funds

- A combination of underspending and unbudgeted revenue – i.e., Surplus, reverts to the unassigned funds and restricted funds
- Restricted funds are funds from the Highway Department. Statute used to limit them only to use in the Highway Department, however the law has changed and they may be used for any Town expense
- Unassigned funds may be used for any Town expense, including Highway expenses

Unassigned and Restricted Funds

- 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

- The balance can decrease when unbudgeted spending occurs, such as spending for repairs from flooding

Unassigned and Restricted Funds

- 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

- 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

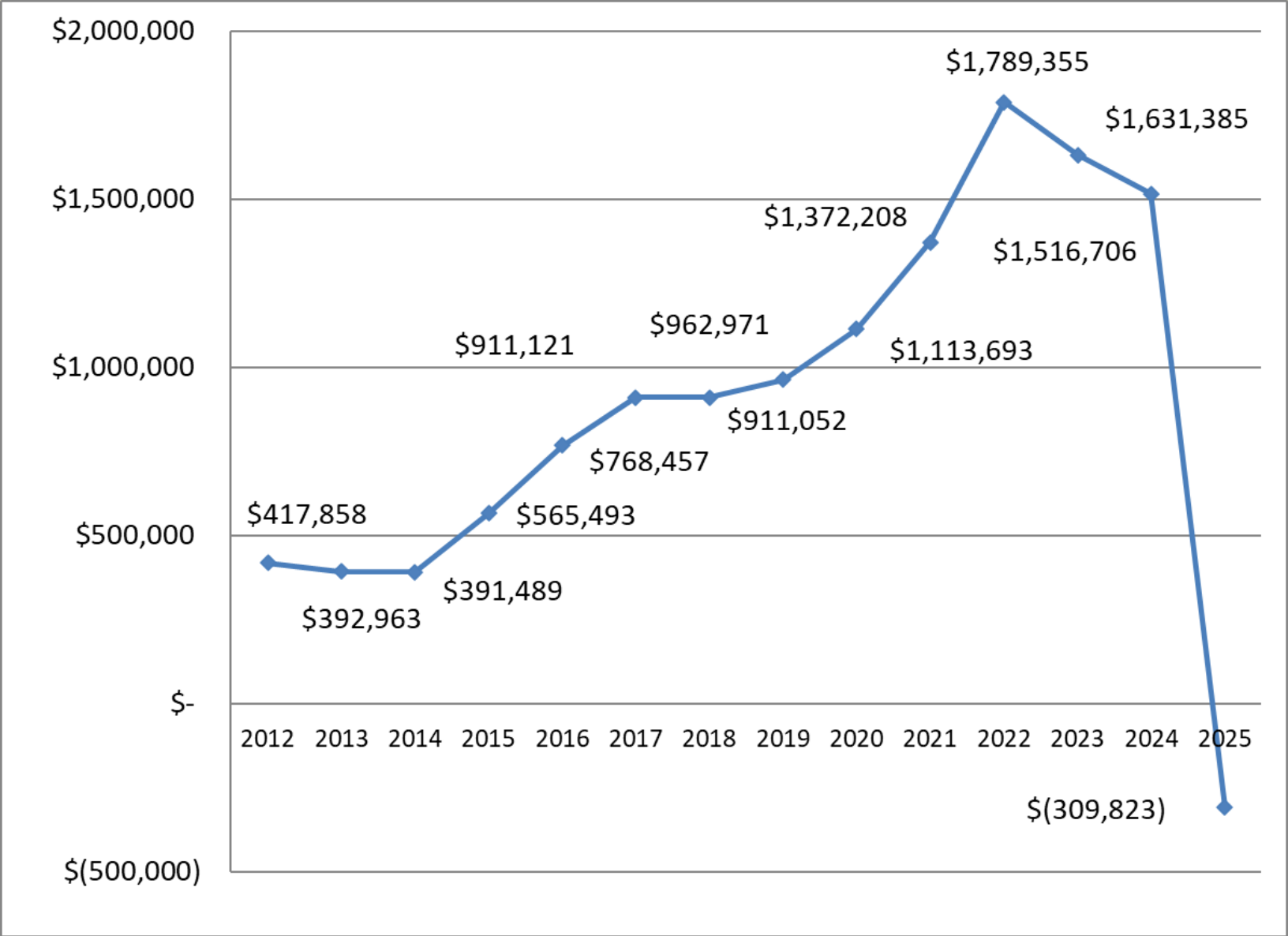
Unassigned and Restricted Funds

- Unassigned and Restricted Fund Balances as of June 30, 2025
 - Unassigned Funds \$964,538
 - Restricted Funds (\$1,274,361)
 - **Combined Total (\$309,823)**
 - Represented -6% of the \$4,970,212 FY26 Budget

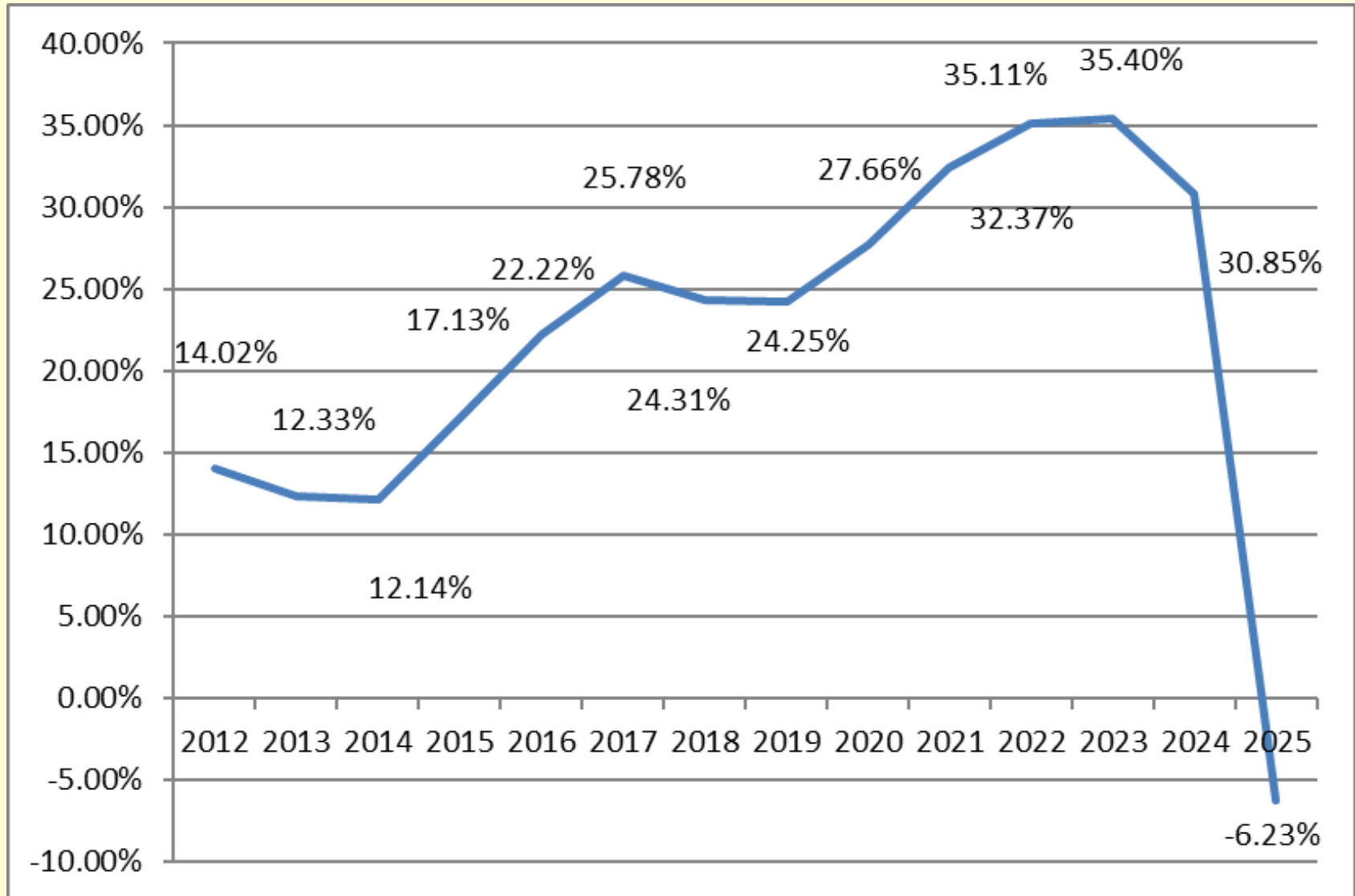
Unassigned and Restricted Funds

\$2M in flood expenses in the summer of 2024 contributed to the negative balance of Unassigned and Restricted Funds at the end of FY25.

Change in Combined Unassigned & Restricted Fund Balance



Change in Combined Unassigned & Restricted Fund Balance as a Percentage of Budget Expenditures



Historical Use of Unassigned and Restricted Funds to Offset the Tax Rate

Fiscal Year		Budgeted Use of Unassigned and Restricted Funds
2019		\$ 90,000
2020		\$ 161,724
2021		\$ 25,000
2022		\$ 91,000
2023		\$ 919,930
2024		\$ 500,000
2025		\$ 433,186
2026		\$ 78,647

Projected expenditures and increases of Unassigned Funds in FY26 31

Combined Unassigned and Restricted Fund Balance end of FY25				\$ (309,823)
Planned use of Unassigned and Restricted Funds in FY26 Budget				\$ (78,647)
Unbudgeted Expenses in FY26				\$ (188,725)
<i>Subtotal</i>				\$ (267,372)
Realized and Expected Reimbursements from 2024 Flood				\$ 1,968,975
Correction to use of Opioid Reserve Fund				\$ 5,000
Police Vacancy Savings first half FY26				\$ 255,441
Planning and Zoning Vacancy Savings FY26				\$ 39,376
Fire Department Projected Savings FY26				\$ 25,000
Act 27 Local Economic Impact Payment from State				\$ 47,150
Finance Department Projected Savings FY26				\$ 9,946
<i>Subtotal</i>				2,350,888
Projected total of Unassigned and Restricted Funds at end of FY26				1,773,693
Amount allocated to Reserve Funds in FY27				-540,000
Projected total of Unassigned and Restricted Funds at end of FY26 less contribution to Reserve Funds				1,233,693
15% of FY27 Budget				893,395
Amount over 15% to put toward FY27 Budget				340,298

FY27 Budgeted Contributions to Reserve Accounts

\$540,000 of Unassigned and Restricted Funds used to contribute to Reserve Funds to reduce contributions from taxes in FY27 and future fiscal years

FY27 Budgeted Contributions to Reserve Accounts

Total Contributed to Reserve Funds:

– \$1,220,100

Total Raised from Taxes:

– \$680,100

Total From Unassigned and Restricted Funds:

– \$540,000

FY27 Budgeted Contributions to Reserve Accounts

Planning Legal Reserve: \$10,000

Police K9 Reserve: \$100

Police Capital Reserve: \$200,000

– \$100,000 will be from Unassigned Funds

Library Reserve: \$15,000

FY27 Budgeted Contributions to Reserve Accounts

Fire Safety Equipment: \$20,000

- \$20,000 will be from Unassigned Funds

Fire Capital Reserve: \$220,000

- \$50,000 will be from Unassigned Funds

Recreation Reserve Fund: \$10,000

- \$10,000 will be from Unassigned Funds

FY27 Budgeted Contributions to Reserve Accounts

Highway Capital Reserve: \$575,000

- \$250,000 will be from Restricted Funds

Highway Bridge and Culvert Reserve: \$160,000

- \$110,000 will be from Unassigned Funds

Highway Guardrail Reserve: \$10,000

Unassigned and Restricted Funds

- \$78,647 used in FY26 Budget to offset tax rate
- \$340,298 used in FY27 Budget to offset tax rate
- Projected end of FY27 Restricted and Unassigned Fund Balance (less FY27 contributions to Reserve Funds): \$893,395
 - Equal to 15% of FY27 budget expenses

Town Budget Overview

- The tax rate presented here, and all estimates that follow, are based on an estimated FY27 Grand List value
- The final Grand List value will be set prior to the Selectboard finalizing the FY27 tax rate in July 2026

Town Budget Overview

- Spending is **up from FY26** by \$985,757, 19.83%
- By section
 - **General Fund up** \$384,163, 12.60%
 - **Highway Fund up** \$601,594, 31.33%
- 3.98% increase in the tax rate from FY26

Town Budget Overview

- Total amount raised by taxes increased by \$178,082 or 4.09%
 - \$4,358,272 in FY26
 - \$4,536,354 in FY27
- Although the total budget is up by \$985K the amount raised by taxes is lower due to use of Unassigned and Restricted Funds:
 - \$540,000 contributed to Reserve Funds
 - \$340,298 used to offset tax rate

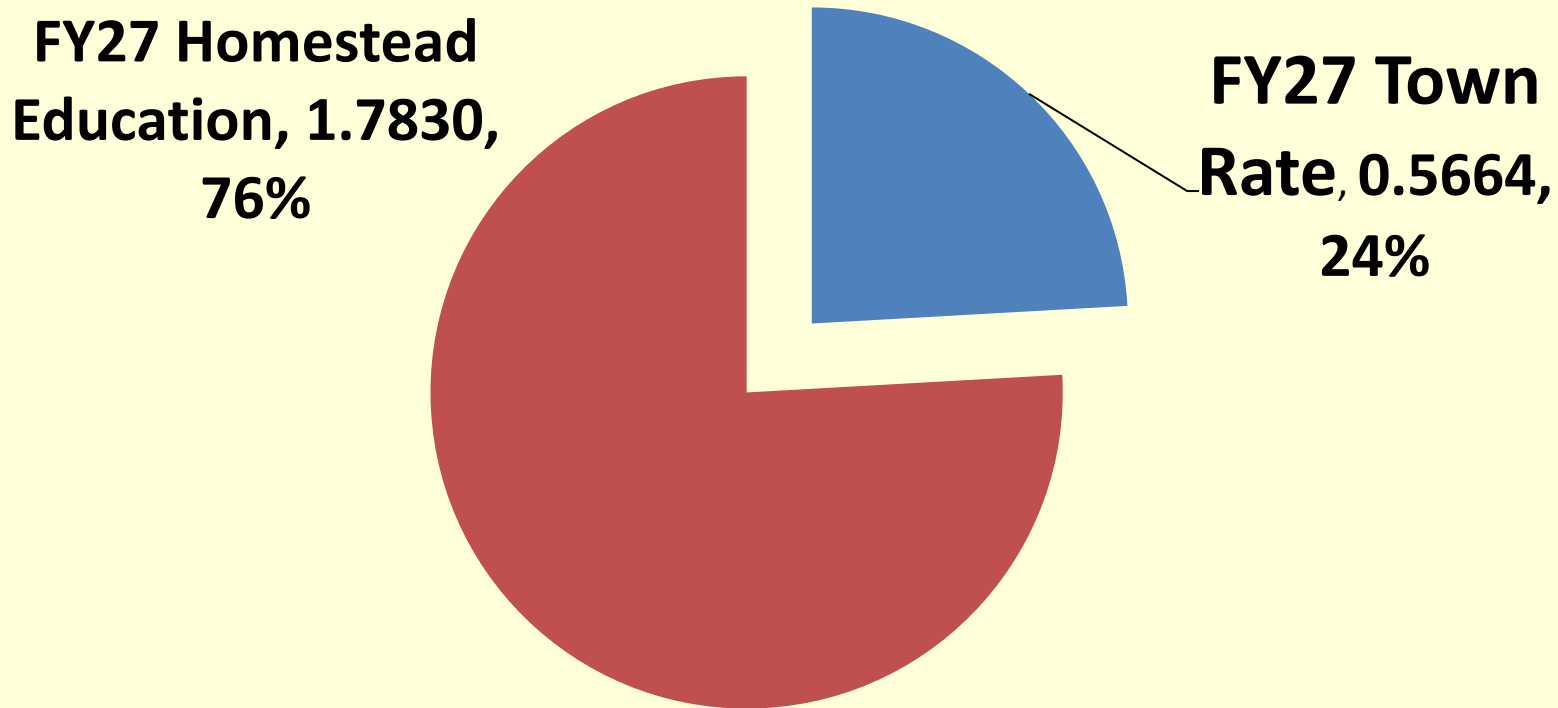
Town Budget Overview

- Municipal tax
 - \$0.5447 in FY26
 - \$0.5664 for FY27
 - \$0.0217 increase
- This is a 3.98% increase in the tax rate from FY26

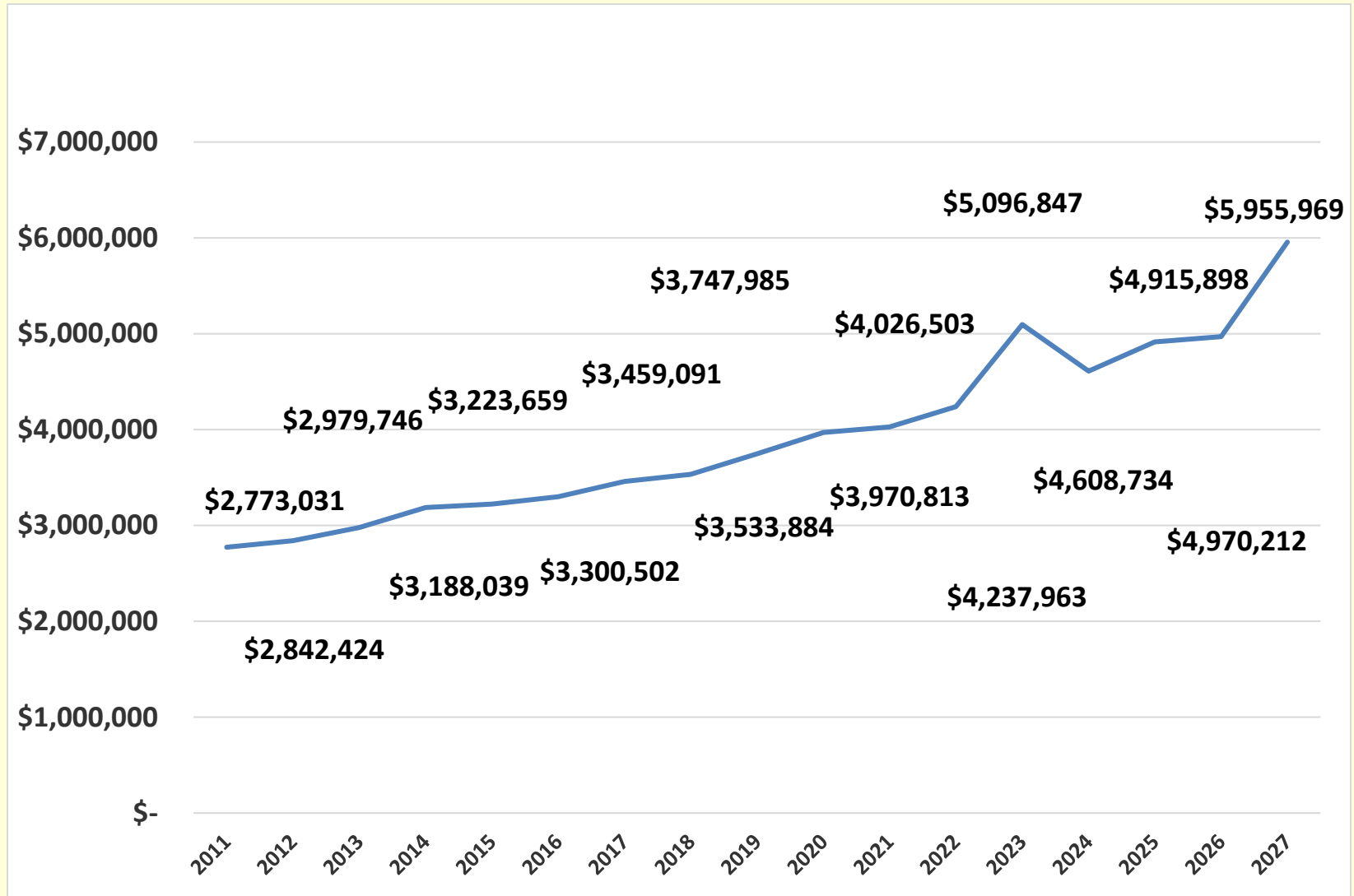
Impacts of Budget Proposal

Home Value	Current Tax Rate/Bill per year	FY2027 increase over FY2026 per year	Total New Tax Bill Per Year
	\$0.5447	0.0217	$ \begin{array}{r} \$0.5447 \\ +\$0.0217 \\ \hline \$0.5664 \end{array} $
\$100,000	\$545	\$22	\$567
\$250,000	\$1,362	\$54	\$1,416
\$500,000	\$2,724	\$109	\$2,833
\$750,000	\$4,085	\$163	\$4,248

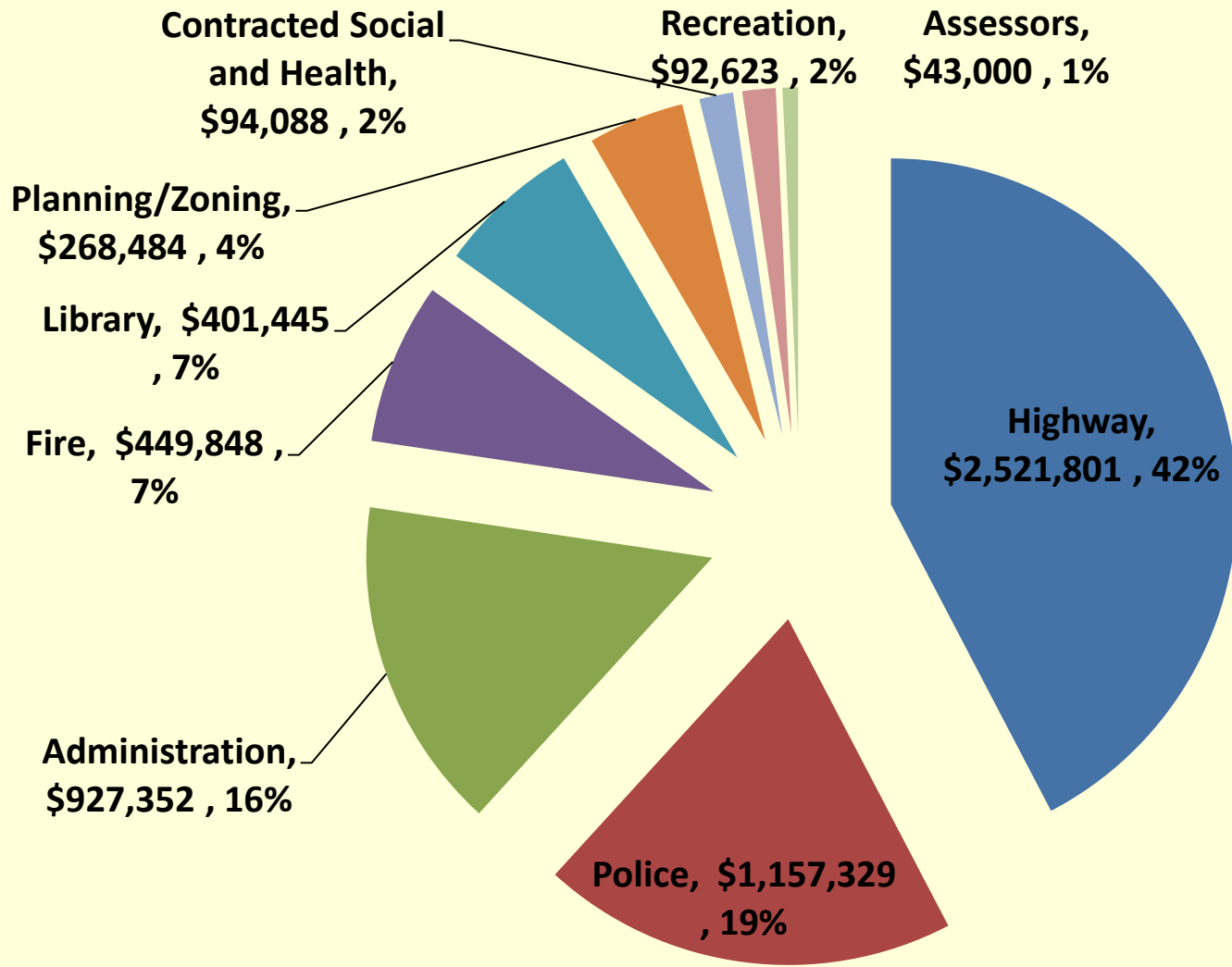
Projected Town & School Tax Rates FY27



Richmond Town Budgets 44



Allocations by Department FY27



Budget by Department

- Changes affecting multiple departments
 - Salaries reflect a step increase and the pay grid increasing by 3%
 - 5% increase in Property & Casualty, Workers Compensation, Assigned Risk, and Unemployment

Budget by Department

- Changes affecting multiple departments
 - Increase in total contributions to reserves
 - \$375,100 in FY26
 - \$1,220,100, with \$680,100 raised from taxes, in FY 27
 - Increase of \$305,000 in contributions raised from taxes

Budget by Department

- Administration
 - Increased the hours for the Assistant Town Clerk from 12 to 25 per week to help keep up with increasing workload and be trained as a backup on payroll
 - Added \$5,000 Finance Director Per Diem Support to allow for the current finance director to provide support to new finance director

Budget by Department

- Planning and Zoning
 - Transportation Planning increasing by \$7,500 from \$2,500 to \$10,000. Anticipated increase in transportation planning projects after cutting back last year.
 - Reduction in Health Insurance due to staffing changes

Budget by Department

- Police Department
 - Included a 20% increase in wages that was approved in the Fall of 2025
 - Budget constructed to include 3.5 officers and a Chief

Budget by Department

- Fire Department
 - Increased salaries to allow for \$1 per hour increase in wages for firefighters
 - Increased Radio Dispatch from \$5,600 to \$9,000 in anticipation of a rate increase
 - Reduction of \$59,607 in debt payments for two loans that ended in FY26

Budget by Department

- Contracted Social Services
 - Reduced contribution to Williston Community Justice Center from \$15,840 to \$0 due to a change in their funding model which should not require a municipal contribution

Budget by Department

- Highway
 - Increased Dues, Certifications, and Licenses from \$200 to \$5,000 to provide CDL training for newer staff member

Revenue

- Kept Net Interest on General Checking Account level funded at \$50,000. With a plan to invest funds from reserve funds into Certificates of Deposit and put interest back into reserves to offset future contributions raised by taxes.
 - Predicting \$35,000 - \$45,000 in interest reinvested back into reserve funds

Conservation Reserve Fund

- 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 FY27

Conservation Reserve Fund

- The estimated contribution to the Conservation Reserve Fund would be \$80,340 based on the estimated Grand List value of \$8,034,029
- If this article passes the actual funding for the Conservation Reserve Fund will be based on the final FY27 Grand List value
- \$80,340 added to the budget will increase the estimated tax rate from FY26 to FY27 from 3.98% in the proposed budget to 5.82%. An increase of 1.84%

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

Impacts of Budget Proposal With Conservation Fund 58

Home Value	Current Tax Rate/Bill Per Year	FY2027 increase over FY2026 per year	Total New Tax Bill Per Year
	\$0.5447	\$0.0317	$ \begin{array}{r} \$0.5447 \\ -\$0.0317 \\ \hline \$0.5764 \end{array} $
\$100,000	\$545	\$32	\$577
\$250,000	\$1,362	\$79	\$1,441
\$500,000	\$2,724	\$159	\$2,883
\$750,000	\$4,085	\$238	\$4,323

Social Services Allocations

- Prior to FY25, 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 Australian ballot

Social Services Allocations

- 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

- 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

- This year there are nine allocations to social services included on the Warning and Australian ballot
- These are not included in the budget
- If they all pass as warned it will add \$21,760 to the budget
- This would be an increase of \$2.70 per \$100,000 of property value

Potential Total Tax Increase

- If Budget Passes as presented,
Conservation Fund Passes, and all Social
Services Pass:
 - 6.32% tax rate increase over FY26

Potential Total Tax Increase with Conservation Reserve Fund and all Social Service Allocations

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Home Value	Current Tax Rate/Bill Per Year	FY2027 increase over FY2026 per year	Total New Tax Bill Per Year
	\$0.5447	\$0.0344	$ \begin{array}{r} \$0.5447 \\ -\$0.0344 \\ \hline \$0.5791 \end{array} $
\$100,000	\$545	\$34	\$579
\$250,000	\$1,362	\$86	\$1,448
\$500,000	\$2,724	\$172	\$2,896
\$750,000	\$4,085	\$258	\$4,343

Questions?