

# Municipal Budget Proposal 2026 Fiscal Year



# Today's Agenda

- ❧ **Municipal Operations**
- ❧ **Review of Reserves and Unassigned & Restricted Funds**
- ❧ **FY26 Budget Overview**
- ❧ **Use of Unassigned and Restricted Funds**
- ❧ **Debt Service**
- ❧ **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 FY24
  - FY24 began on July 1, 2023 and ended on June 30, 2024
- Currently it is FY25
  - FY25 began on July 1, 2024 and will end on June 30, 2025
- The budget being voted on is for FY26
  - FY26 will begin on July 1, 2025 and will end on June 30, 2026

# Municipal Operations Overview

(p. 15 in Town Report)

- **Clerk/Administration/Finance:** 1 FT Town Manager, 1 FT Finance Director, 1 FT (30 hours per week) Assistant to the Town Manager, 1 FT Town Clerk (Elected and not supervised by the Selectboard or Town Manager), 1 PT Asst. Town Clerk (supervised by the Town Clerk)
- Operate very closely to manage revenue, payments, payroll, policies, and projects

# Municipal Operations Overview

(p. 16 in Town Report)

- **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

(p. 17 in Town Report)

- **Police:** 0.5 FT Chief, 4 FT officers, 1 PT admin assistant
  - The Chief is shared with Hinesburg

# Municipal Operations Overview

(p. 18 in Town Report)

- **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

(p. 19 in Town Report)

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



# Municipal Operations Overview

(pp. 22-23 in Town Report)

- **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:

## (pp. 63 – 67 in Town Report)

- 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 Water budget and Wastewater budget contained in the Town Report show the FY25 Budgets that were approved at the Water and Sewer Annual Meeting on May 21, 2024
- The 2025 Water and Sewer Annual Meeting will be held at a date to be determined in May. The FY26 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 voted on**

# Reserve Funds and Unassigned & Restricted Funds

(p. 29 in Town Report)

- **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 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

# **Reserve Funding**

(p. 29 in Town Report)

- 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. 29 in Town Report)

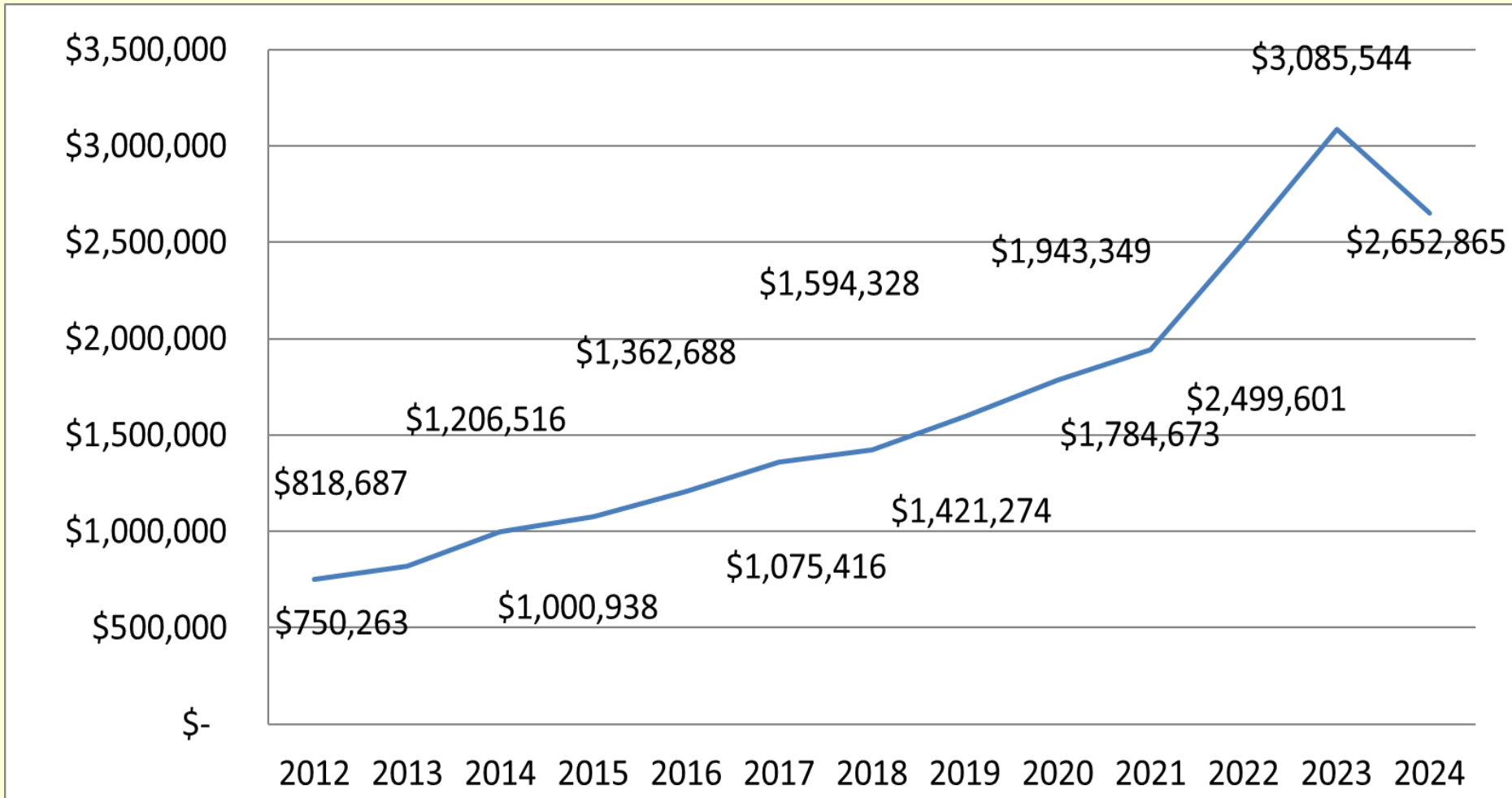
- Reserves can also be funded with non-tax revenue such as:
  - Town Center Maintenance Fund is funded by rent payments from tenants in the Town Center
  - Reappraisal Fund is funded by the State's Act 60 reappraisal grant

# **Reserve Funding**

(p. 29 in Town Report)

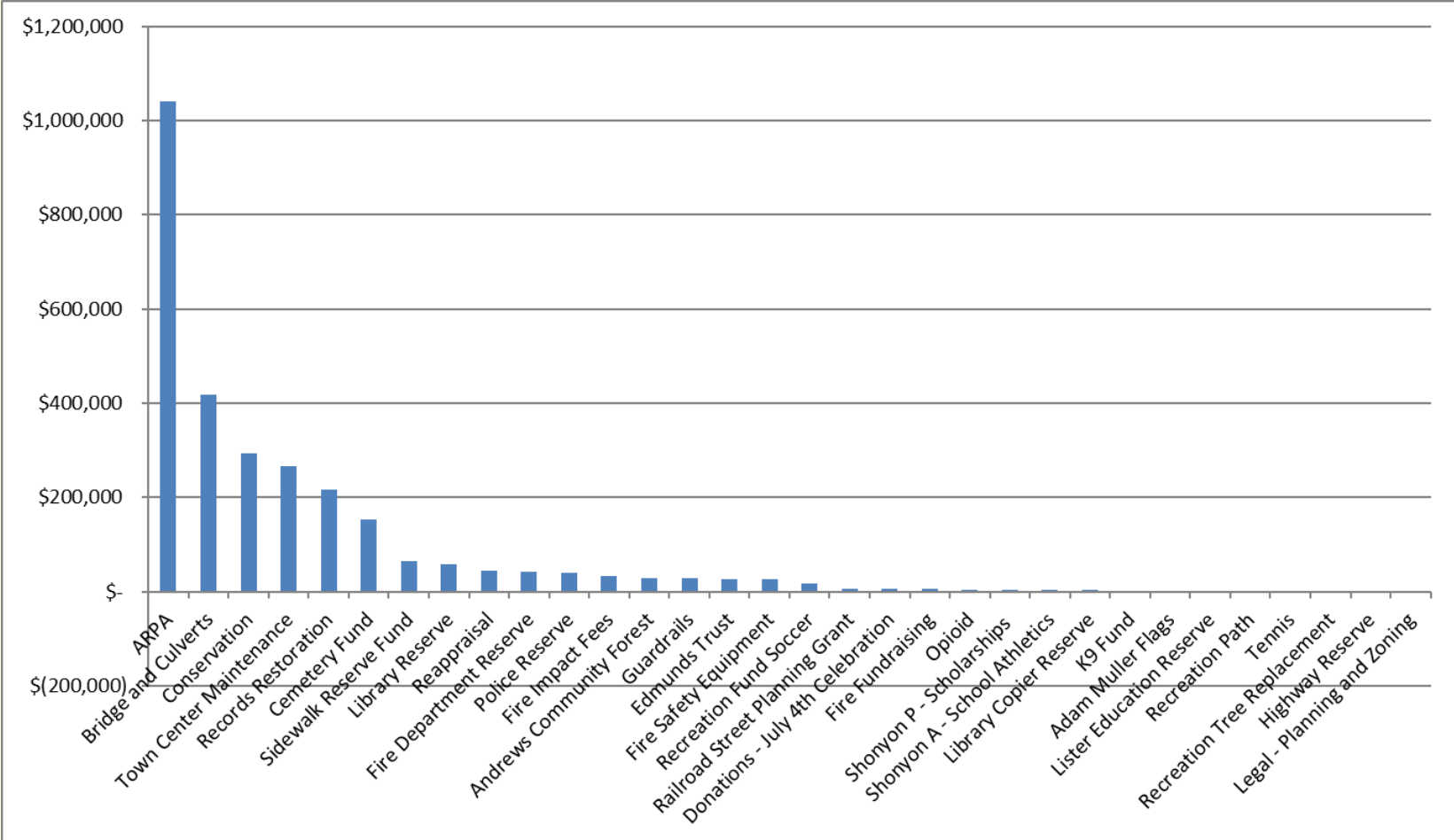
- Reserves are used mostly for large capital purchases
- Actual use of reserves fluctuate based on the capital plan and emergencies that fall outside of the scope of the budget

# Total Reserve Growth 2012-2024



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 6/30/24





There are 32 Reserve Funds, but 84% of all money in reserves are in just 6 Reserve Funds  
(p. 29 in Town Report)

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<b>ARPA</b>	<b>\$ 1,040,641</b>	<b>37%</b>
<b>Bridge and Culverts</b>	<b>\$ 418,926</b>	<b>15%</b>
<b>Conservation</b>	<b>\$ 293,398</b>	<b>10%</b>
<b>Town Center Maintenance</b>	<b>\$ 266,180</b>	<b>9%</b>
<b>Records Restoration</b>	<b>\$ 215,328</b>	<b>8%</b>
<b>Cemetery Fund</b>	<b>\$ 152,580</b>	<b>5%</b>
<b>Total</b>	<b>\$ 2,387,053</b>	<b>84%</b>

# **FY26 Planned Reserve Account Usage**

(p. 26 in Town Report)

- Fire Safety Equipment Reserve
  - \$1,500: Air Tanks
  - \$10,000: Turnout Gear
- Highway Capital Reserve
  - \$245,000: Dump Truck
  - \$57,000: Pickup Truck with plow
- Library Reserve
  - \$25,000: Painting

# **FY26 Budgeted Contributions to Reserve Accounts**

(pp. 15 – 25 in Town Report)

Planning Legal Reserve: \$10,000

Fire Capital Reserve: \$180,000

Highway Capital Reserve: \$175,000

Highway Guardrail Reserve: \$10,000

# **Unassigned and Restricted Funds**

(p. 29 in Town Report)

- A combination of underspending and unbudgeted 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. 29 in Town Report)

- 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. 29 in Town Report)

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

# Unassigned and Restricted Funds

(p. 29 in Town Report)

- 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. 29 in Town Report)

- 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

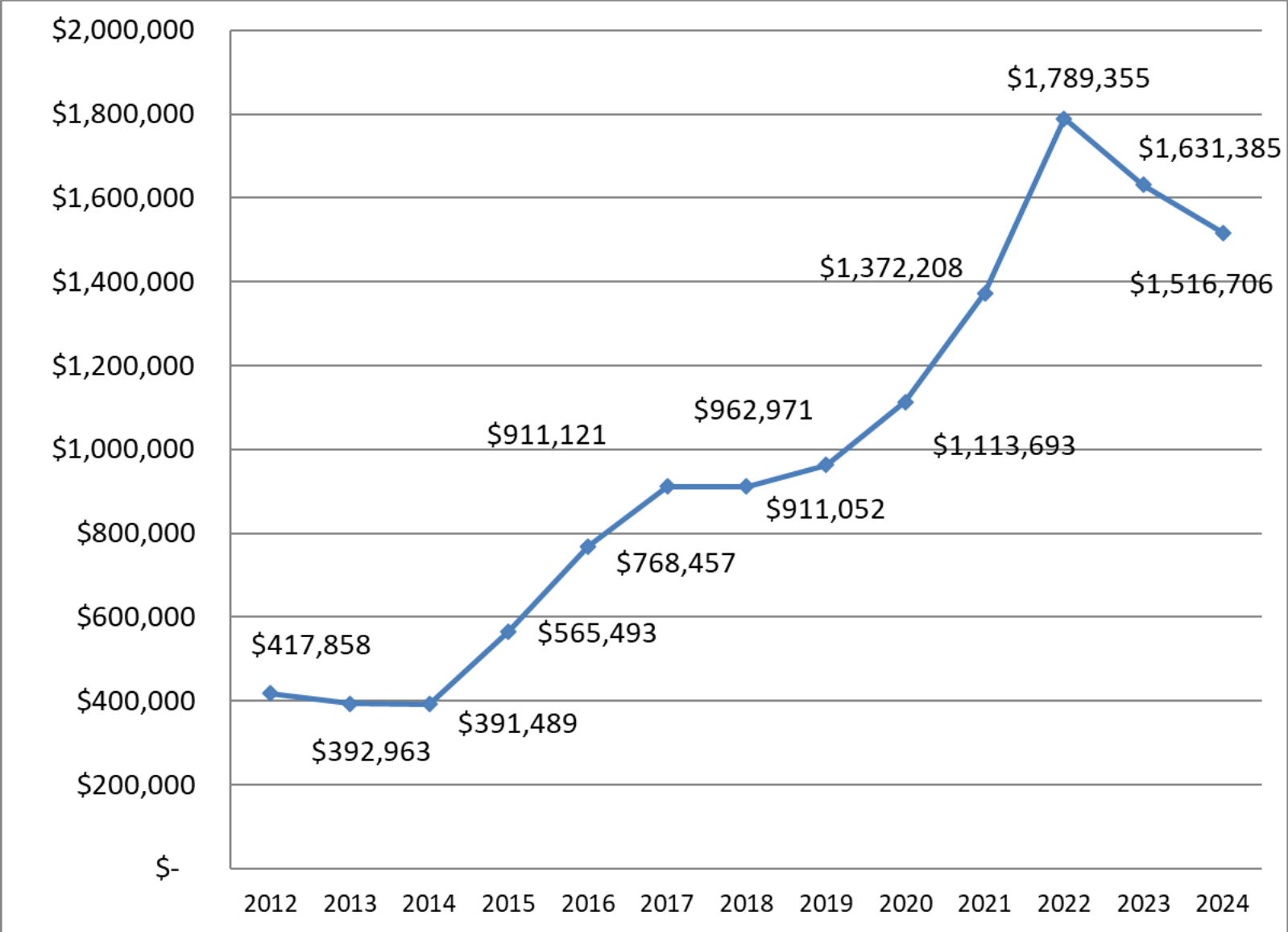


# Unassigned and Restricted Funds

(p. 29 in Town Report)

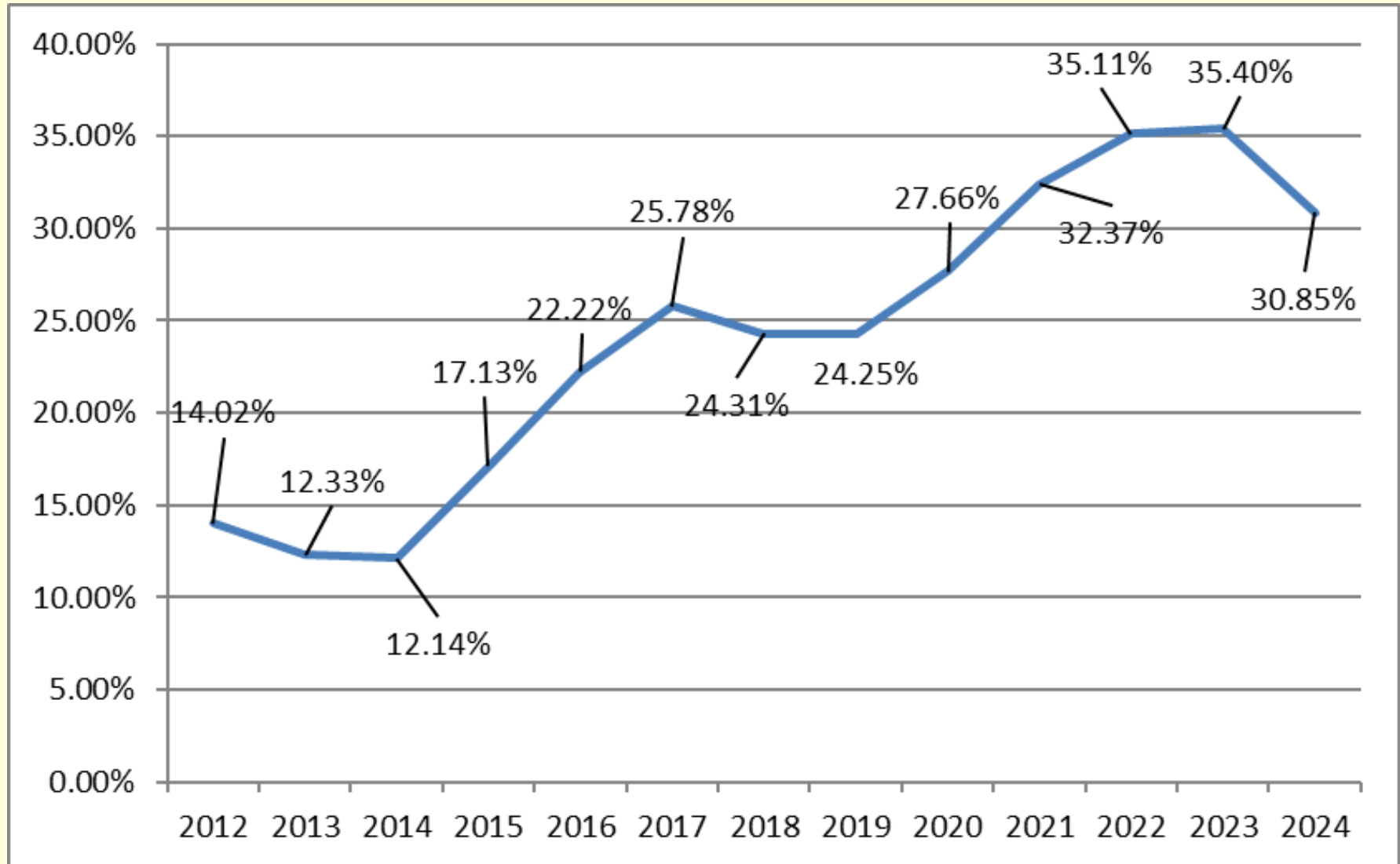
- Unassigned and Restricted Fund Balances as of June 30, 2024
  - Unassigned Funds \$1,176,344
  - Restricted Funds \$340,362
  - **Combined Total \$1,516,706**
  - Represented 31% of the \$4,915,898 FY25 Budget

# Change in Combined Unassigned & Restricted Fund Balance (p. 29 in Town Report)



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

(p. 29 in Town Report)



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

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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	\$ 433,366

# **Town Budget Overview**

(pp. 15 – 25 in Town Report)

- The tax rate presented here, and all estimates that follow, are based on an estimated FY26 Grand List value.
- The final Grand List value will be set prior to the Selectboard finalizing the FY26 tax rate in July 2025

# Town Budget Overview

(pp. 15 – 25 in Town Report)

- Spending is **down from FY25** by \$45,333, 0.92% (p. 15)
- By section
  - **General Fund up** \$407, 0.01% (p. 21)
  - **Highway Fund down** \$45,740, 2.33% (p. 23)
- 6.83% increase in the tax rate from FY25 (p. 25)

# Town Budget Overview

(p. 25 in Town Report)

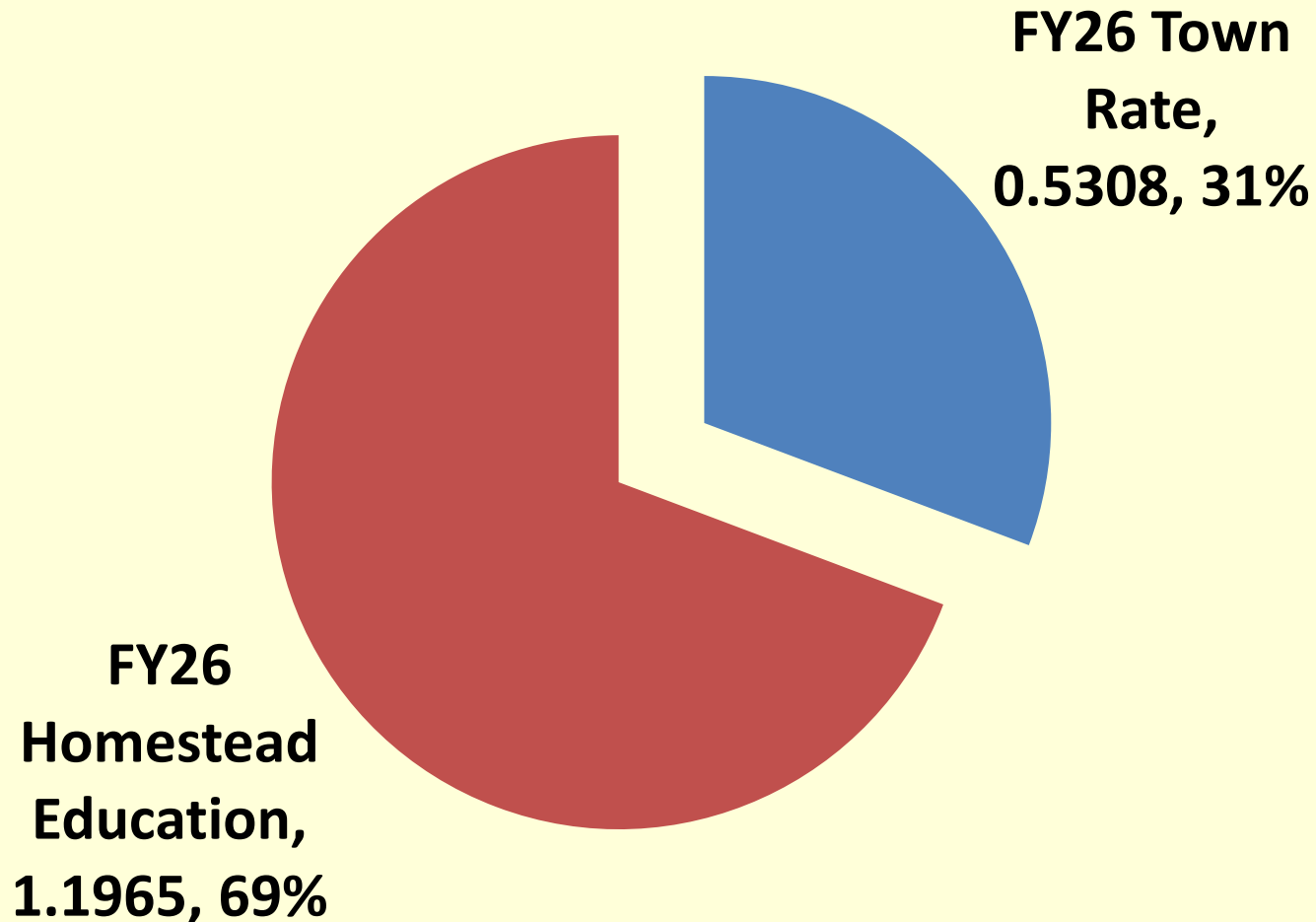
- Municipal tax
  - \$0.4969 in FY25
  - \$0.5308 for FY26
  - \$0.0339 increase
- This is a 6.83% increase in the tax rate from FY25

# Impacts of Budget Proposal

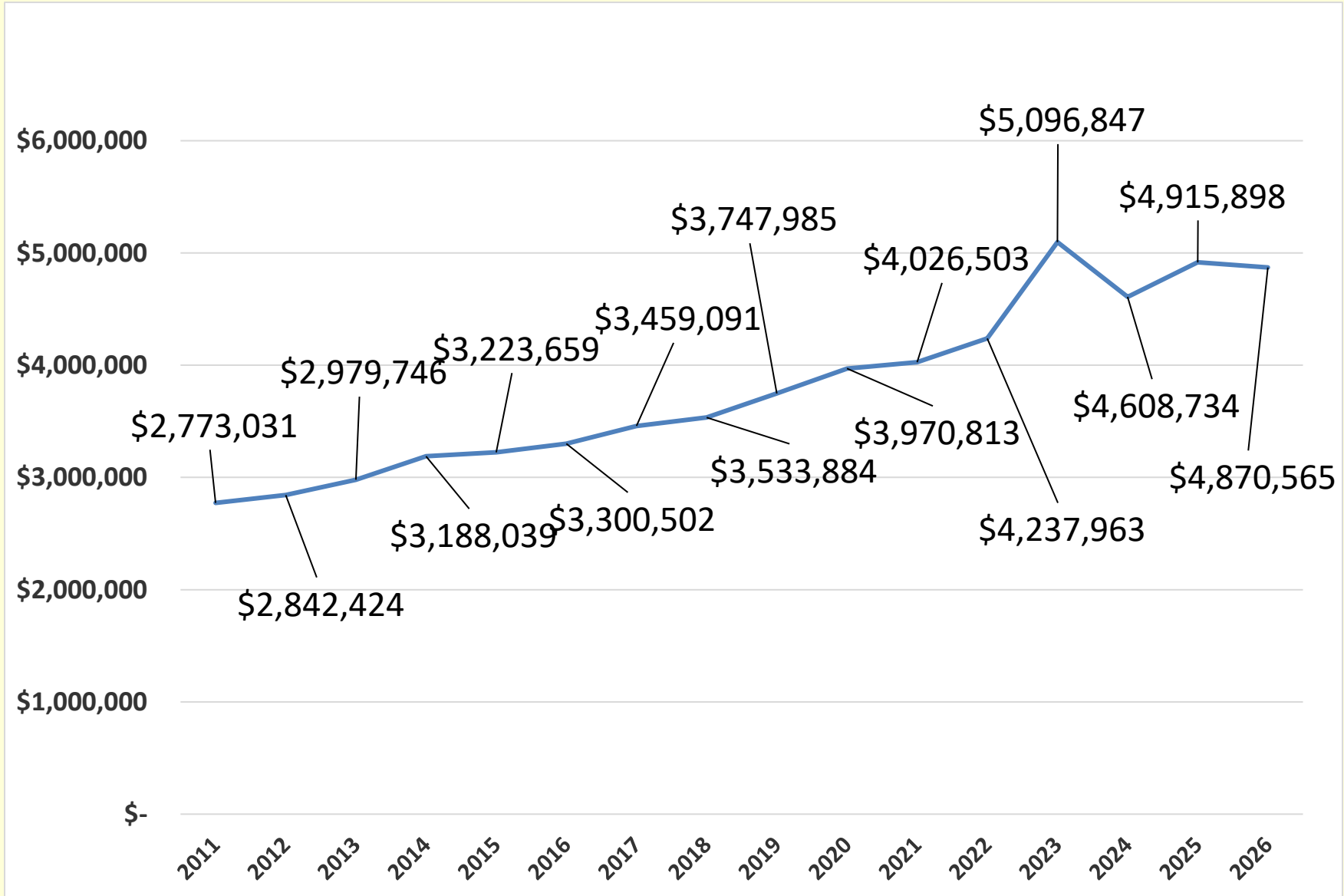
Home Value	Current Tax Rate/Bill per year	FY2026 increase over FY2025	Total New Tax Bill Per Year
	\$0.4969	0.0339	$  \begin{array}{r}  \$0.4969 \\  +\$0.0339 \\  \hline  \$0.5308  \end{array}  $
\$100,000	\$497	\$34	<b>\$531</b>
\$250,000	\$1,242	\$85	<b>\$1,327</b>
\$500,000	\$2,485	\$170	<b>\$2,655</b>
\$750,000	\$3,727	\$254	<b>\$3,981</b>



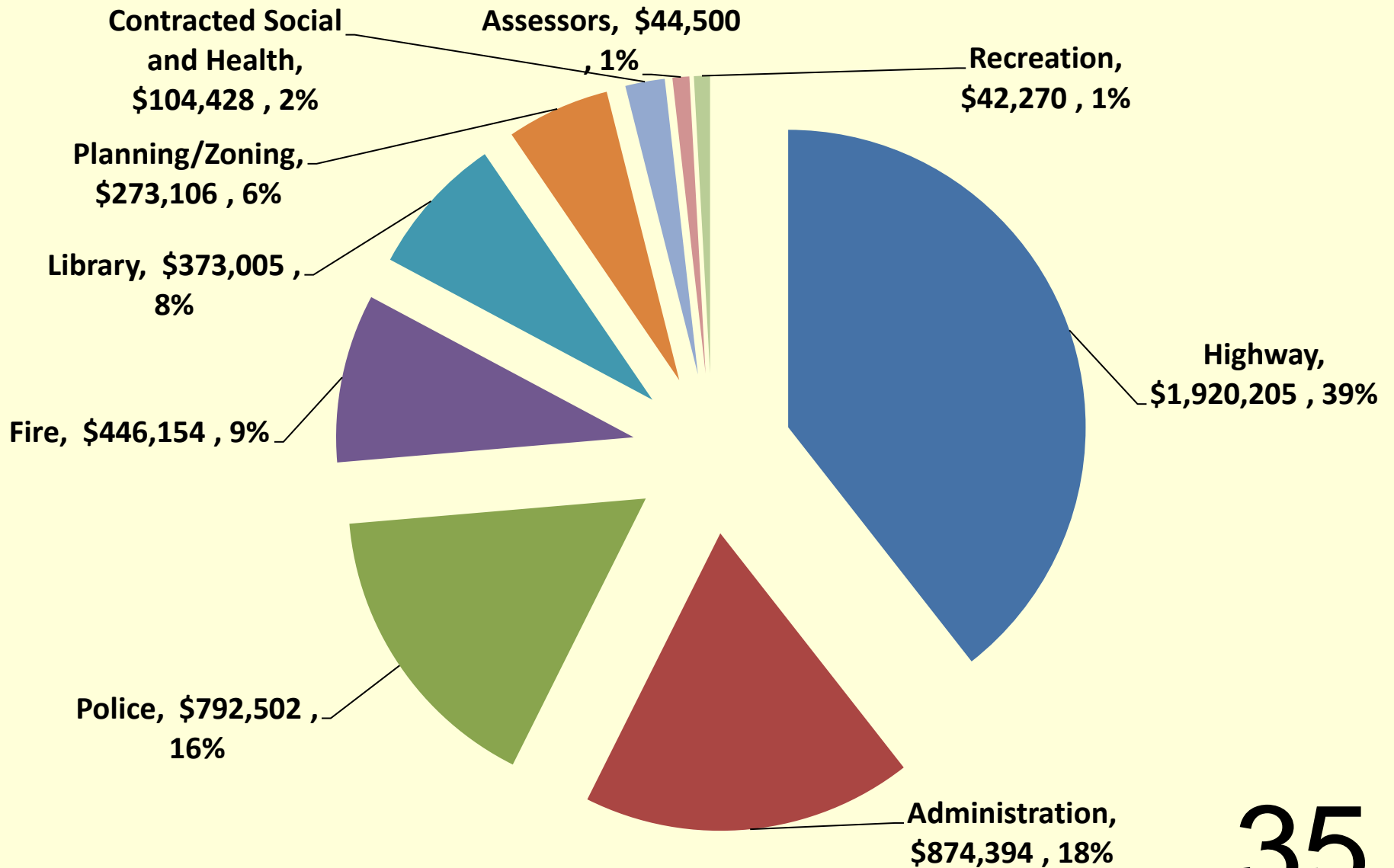
# Projected Town & School Tax Rates FY26



# Richmond Town Budgets 34



# Allocations by Department FY26



# Spending is Down but the Tax Rate is Up (pp. 24 - 25 in Town Report)

- Decrease in Key Revenue Sources
  - Net Interest on General Checking Account decrease of \$50,000 from \$100,000 FY25 to \$50,000 FY26 due to lower balance and lower interest rates
  - Unassigned Fund usage decreased from \$433,186 FY25 to \$78,647 FY26
  - These two sources alone account for a decrease of available revenue of \$404,539

# **2024 Flood Expenses Depleted Unassigned and Restricted Funds**

(p. 29 in Town Report)

- Combined Total of Unassigned and Restricted Funds at end of FY24:  
**\$1,516,706**
- July 2024 Flood Expenses: **\$1,929,727**

# Projected expenditures and increases of Unassigned Funds in FY25 38

<b>Combined Unassigned and Restricted Fund Balance end of FY24</b>		<b>1,515,607</b>
(Figure used for budget is \$1,099 less than figure in final audit)		
2024 Flood Expenses		(1,929,727)
Unfinished Repairs from 2023 Flood		(374,801)
Planned Use of Unassigned and Restricted Funds in FY25 Budget		(433,186)
<i>Subtotal</i>		<i>(2,737,714)</i>
Reimbursements from three disasters prior to 2024 flood		605,755
Projected Savings in Highway FY25 Budget		100,000
Projected Vacancy Savings in Police FY25 Budget		56,371
Use of Bridge and Culvert Reserve for Flood Expenses		473,926
Use of Special Project Reserve for Flood Expenses		795,287
<i>Subtotal</i>		<i>2,031,339</i>
<b>Projected total Unassigned and Restricted Funds at end of FY25</b>		<b>809,232</b>
15% of FY26 Budget		730,585
<b>Amount over 15% to put toward FY26 Budget</b>		<b>78,647</b>

# Reimbursement of Reserve Funds

<b>Projected FEMA reimbursements from 2024 flood</b>				
		Highway at 75%		1,395,426
		General at 75%		51,869
		<b>Total</b>		<b>1,447,295</b>
<b>Reimbursements to Reserve Fund Use</b>				
		Bridge and Culvert Reserve		473,926
		Special Projects Reserve		795,287
		<b>Total</b>		<b>1,269,213</b>

# **Unassigned and Restricted Funds**

(p. 29 in Town Report)

- \$433,186 used in FY25 Budget to offset tax rate
- \$78,647 used in FY26 Budget to offset tax rate.
- Projected end of FY26 Restricted and Unassigned Fund Balance: \$730,585
  - Equal to 15% of FY26 Budget Expenses



# General Town Debt

Does not include Water System Debt

- 2005 Fire Truck. \$10,000/yr. Final Payment is in 2026
- 2018 Fire Truck. \$49,607/yr. Final Payment is in 2026
- Jericho Road = \$55,512/yr. Final Payment is in 2032
- Stormwater ARRA (Millet St.). \$7,046/yr. Final Payment is in 2032

# Budget by Department

(pp. 15 – 25 in Town Report)

- Changes affecting multiple departments
  - Salaries reflect a step increase and the pay grid increasing by 3%
  - Health Insurance Increase of 10%
    - Town pays 90%
    - Employees pay 10%
  - 16% increase in Property & Casualty, Workers Compensation, Assigned Risk, and Unemployment.

# **Budget by Department**

(pp. 15 – 25 in Town Report)

- Changes affecting multiple departments
  - Restructured Capital Plan and reduced planned contributions to some Capital Reserves.

# Budget by Department

(p. 15 in Town Report)

- Administration
  - Changed Job Description for Assistant to the Town Manager to Deputy Town Manager and increased hours from 30 per week to 40 per week.

# Budget by Department

## (p. 15 in Town Report)

- Staffing change was made to address increased workload including:
  - FEMA Reporting
  - Management of installations in Town parks
  - Town Center maintenance
  - Increased number of grant projects
  - Management of Emergency Watershed Protection Program
  - Management of FEMA buyout and elevation program
  - Managing Requests for Proposal
  - Manage Committees' organizational needs

# Budget by Department

(p. 17 in Town Report)

- Police Department
  - Budget constructed to include four officers and a contract with Hinesburg for shared Chief services
  - Pushed out the purchase of a cruiser by one year to eliminate need to contribute to Police Capital Reserve in FY26

# Budget by Department

## (p. 18 in Town Report)

- Library Department
  - Added a 12 hour per week position
  - Ensures there will be at least two staff members present at the Library at all times for safety
  - Provides better staffing to be able to run programs and assist patrons
  - Better able to cover days off for employees
  - Services have expanded
  - Use of the Community room has increased

# Budget by Department

(p. 19 in Town Report)

- Fire Department
  - Increased salaries to account for the increasing call volume
  - Added \$25,000 for a Needs Assessment to help plan the future of the department



# Conservation Reserve Fund

(p. 20 in Town Report)

- 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 FY26

# Conservation Reserve Fund

- The estimated contribution to the Conservation Reserve Fund would be \$80,504 based on the estimated Grand List value of \$8,050,387
- If this article passes the actual funding for the Conservation Reserve Fund will be based on the final FY26 Grand List value
- \$80,504 added to the budget will increase the estimated tax rate from FY25 to FY26 from 6.83% in the proposed budget to 8.84%. An increase of 2.01%

# 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 52

Home Value	Current Tax Rate/Bill Per Year	FY2026 increase over FY2025	Total New Tax Bill Per Year
	\$0.4969	\$0.0439	$  \begin{array}{r}  \$0.4969 \\  -\$0.0439 \\  \hline  \$0.5408  \end{array}  $
\$100,000	\$497	\$44	<b>\$541</b>
\$250,000	\$1,242	\$110	<b>\$1,352</b>
\$500,000	\$2,485	\$220	<b>\$2,705</b>
\$750,000	\$3,727	\$329	<b>\$4,056</b>

# **Social Services Allocations**

(p. 21 in Town Report)

- 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**

(p. 21 in Town Report)

- 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. 21 in Town Report)

- 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. 20 in Town Report)

- 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 Field
  - Halloween on the Green



# **Social Services Allocations**

(p. 17 in Town Report)

- 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. 21 in Town Report)

- 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
  - Community Outreach – provided by The Howard Center
  - Williston Community Justice Center

# **Social Services Allocations**

(p. 21 in Town Report)

- 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. 15 in Town Report)

- 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**

(pp. 106-109 in Town Report)

- 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 \$19,375 to the budget.
- This would be an increase of \$2.41 per \$100,000 of property value.

# **Social Services Allocations**

(pp 106-109 in Town Report)

- Every \$1,000 that is added to the budget equals about \$0.12 per \$100K in property value

# Potential Total Tax Increase

- If Budget Passes as presented, Conservation Fund Passes, and all Social Services Pass:
  - 9.32% tax rate increase over FY25

# Potential Total Tax Increase

Home Value	Current Tax Rate/Bill Per Year	FY2026 increase over FY2025	Total New Tax Bill Per Year
	\$0.4969	\$0.0463	$  \begin{array}{r}  \$0.4969 \\  -\$0.0463 \\  \hline  \$0.5432  \end{array}  $
\$100,000	\$497	\$46	<b>\$543</b>
\$250,000	\$1,242	\$116	<b>\$1,358</b>
\$500,000	\$2,485	\$232	<b>\$2,717</b>
\$750,000	\$3,727	\$347	<b>\$4,074</b>



Questions?

