

Town Manager Report

Looking back at this time last year, I am amazed at how well the community and town staff responded to some significant and controversial changes from what was planned. While we all may not share the same view, it is important that we listen to each other and have civil and respectful discourse. It is important to remember that our words have meaning and they can be impactful.

From a service perspective, the most significant unexpected change was police coverage. As a result of the failure of the original police budget, Hinesburg went from 6 full-time officers providing 24/7 coverage to 3 full-time officers covering 9:00 am – 9:00 pm Monday – Friday in very short order. Ultimately, the voters approved a slightly revised budget and the Selectboard promised to embark on the development of a public safety strategic plan to help guide future decisions on staffing and coverage. As of early January 2023, the police department has 4 Full-time employees covering Monday – Saturday and the Selectboard approved hiring a consultant to develop the public safety strategic plan.

In my report last year, I mentioned the anticipated start of the town's ambulance service in the summer of 2022 as well as the conversion of the volunteer chief position to a regular part-time employee and hiring of two full-time fire/first response employees. Just a couple of months later, it was very apparent to Chief Baker and me that the town did not have the human resources necessary to consistently staff an ambulance 24/7. As a result, we came to the very hard decision to recommend that the Selectboard cancel the ambulance service and instead contract with another organization for ambulance transport.

This decision was cheered by some and jeered by others. As a result of that feedback and dialogue, it was recommended that the Selectboard widen the scope of the public safety strategic planning process to include fire, first response and ambulance services. In the meantime, the town continues its contract with Richmond Rescue. The proposed budget represents the second year of that contract which is a \$0 increase.

Picking up on the thread of combining efforts, what began as a study to evaluate renovating or replacing the fire station was expanded to include the town hall due to the roof issues. Combining both buildings into one study saved the town money and will allow the Selectboard and the voters to make a decision on both buildings knowing the needs of each rather than making a decision on one in a vacuum. The study evaluates a new fire station in its existing location or in a new location; and renovating the existing town hall and staying mostly within the existing four walls or adding on to the town hall to create new office and meeting space as well as community space. Public meetings on these plans will occur this winter.

In other areas, things have progressed more or less as planned. Regarding justice, equity and inclusion work, staff received another training on a Welcoming and Inclusive Workplace; an informal workgroup was formed which recommended the Selectboard adopt a Statement on Inclusion, which they did. And in February, the work group presented the Selectboard with a charter to establish a formal town equity committee. In addition, Hinesburg is a member of the Statewide I.D.E.A.L (Inclusion, Diversity, Equity, Action and Leadership) program which brings select communities together to learn about ways to make our own more welcoming. Moreover, the Town is participating in the Vermont League of Cities and Town's EPIC program which has similar goals but is a limited duration.

The Selectboard's decision to modify the Richmond Road/North Road/Texas Hill Road intersection into a 4-way stop was implemented in the late fall of 2022 and appears to be going well. At some point in the future the Selectboard will need to decide whether or not to make this change permanent. On a somewhat related note, the town applied for a grant for the first phase of the Richmond Road path but was not successful. The town will continue to search for funding for this important pedestrian connection.

Since the discovery last fall that the town landfill had not been properly closed, staff have worked diligently to secure official closure approval. Part of that approval required removing a significant amount of woody vegetation and adding a significant amount of earth material over portions of the landfill where there was exposed garbage. Unfortunately, during the writing of this report, an additional well that serves two residences was found to have PFAS levels slightly above state limits. As a result, the town will need to install and maintain treatments systems at both homes.

Looking forward to future years, the challenge is going to be right-sizing the town's response to the significant amount of residential development that is likely to occur. We do not want to be too far behind on services nor do we want to be too far ahead. Ideally, any growth in personnel and/or services will align with growth in the grandlist to mitigate against any adverse tax impacts. Realistically, it is unlikely that the two will occur in lock step. As a result, future budgets are likely to have periods of expansion and periods of minor change.

Lastly, I would like to congratulate Town Clerk and Treasurer, Melissa "Missy" Ross, on her retirement at the end of her term. Missy has been an employee of the Town since 1998 and has made numerous valuable contributions during her time. Personally, I want to thank Missy for her cooperation and assistance in helping me land on my feet in Hinesburg.

Finances

The Town ended FY22 in a financially sound position. Revenues and other financing sources were \$92,076 under budget and expenditures were \$55,044 under budget resulting in a change of total fund balance of (\$37,032). The unassigned general fund balance increased by \$33,624 from \$926,468 to \$960,092. This is \$79,122 better than the expected deficit of \$45,498. Taking into account the FY23 budgeted deficit of \$276,000 and the FY24 budgeted deficit of \$150,000, the unassigned fund balance could be \$534,092 by the end of FY24, which is equal to 12.6% of the town's operating budget. This is within the practice established last year to keep the unassigned fund balance in the 10% - 15% of operating budget range.

FY24 Budget Overview

Revenue

The FY24 budget story is more about revenue than it is about expenses. There are a variety of non-tax revenues that were in the FY23 budget that are not available for the FY24 budget. In total, there is a loss of \$289,000 in non-tax revenue sources. This results in a higher increase in the amount raised in taxes than the increase in expenses. For example, the draft budget is a 0.25% or \$11,496 increase in expenses but a 5.0% or \$185,235 increase in the amount raised in taxes. Depending on grand list growth however, it is estimated that this would result in a tax rate increase of \$0.0213 (3.6%), or \$21.30 per \$100,000 of assessed value. On a home assessed at \$400,000, that would equal a \$85.20 increase.

Most of the lost non-tax revenue comes from a \$126,000 reduction in the use of fund balance; removal of \$100,000 in ambulance revenue since we are not operating an ambulance and removal of \$50,000 for the COPS grant.

The cost of the capital budget is partially offset by the use of the anticipated fund balance. In FY23, that amounted to \$201,000 but for FY24 that is reduced to \$100,000. In addition, \$125,000 of unspent paving funds from FY23 will be applied to the anticipated \$250,000 paving expense in FY24. When the new Engine #3 replacement arrives, \$200,000 of accumulated funds will be used as a down payment to decrease borrowing costs. Overall, compared to FY23, the proposed FY24 Capital Budget will raise \$42,911 less in new taxes.

Revenue from St. George for fire and first response services has increased due to a new formula for assessment. St. George will be charged a percentage of the budget based on their percentage of the previous years' call volume. For ambulance service, Richmond Rescue will bill Hinesburg for St. George and in turn, we will be reimbursed by St. George.

Planned expenditures for the Town Forest Committee are reflected in the budget and those expenditures are covered 100% by logging revenue and the Town Forest Stewardship Fund. So those are new line items under revenue

	Tax by Assessed Value			
	\$200,000	\$300,000	\$400,000	\$500,000
General Government	\$392	\$588	\$785	\$981
Highway	\$167	\$251	\$334	\$418
Police	\$237	\$356	\$475	\$594
Fire/Rescue/EMS	\$171	\$257	\$342	\$428
Library	\$75	\$113	\$150	\$188
Capital Transfers	\$149	\$223	\$298	\$372
Appropriations	\$13	\$19	\$26	\$31
Total Town Tax	\$1,204	\$1,807	\$2,410	\$3,012

Estimated Tax Increase	
Assessed Value	FY24
\$200,000	\$42.60
\$250,000	\$53.25
\$300,000	\$63.90
\$350,000	\$74.55
\$400,000	\$85.20
\$450,000	\$95.88
\$500,000	\$106.50
\$550,000	\$117.15
\$600,000	\$127.80

Estimated Tax Rate Increase	
Assesed Value	FY24
\$200,000	\$ 58.00
\$250,000	\$ 72.50
\$300,000	\$ 87.00
\$350,000	\$ 101.50
\$400,000	\$ 116.00

\$450,000	\$ 130.50
\$500,000	\$ 145.00
\$550,000	\$ 159.50
\$600,000	\$ 174.00

Expenses

Salaries and Benefits

Wage increases are 5% in acknowledgement of the significant inflation over the last 18 months. Retirement expenses for Police and Fire are higher than other departments because the Selectboard approved offering Police and Fire employees a better retirement plan that is not available to other employees that raises the town's contribution from 6.75% of wages to 11.6%.

Health insurance premiums for the first six months of FY24 are known and a 10% increase is estimated for the last 6 months of FY24. Actual health insurance expenses in each department vary depending on changing employees or changing employee needs.

Budgeted Full-Time Equivalent					
	FY20	FY21	FY22	FY23	FY24
Town Manager	2	2	2	2	2
Town Clerk	2	2	2	2	2.25
Recreation	0.75	0.75	0.75	0.75	0.75
Planning & Zoning	2.9	2.9	2.9	2.9	2.5
Highway	4	4	4	4	3
Police Department	6.625	6.625	7.625	6.425	6
Buildings & Facilities	0.3	0.3	0.3	0.3	0.5
Fire Department	0	1	2	2.6	2.6
Total	18.575	19.575	21.575	20.975	19.6

Selectboard

No significant changes. A slight increase for advertisements on Line 7 to cover employment ads.

Town Manager – Total Increase of \$2,176 or 1.05%

Wages are increasing 5% and cover the Town Manager and Assistant Town Manager. Insurances, retirement, and FICA have been adjusted to reflect the 80/20 and 85/15 split with the Water and Sewer fund. Previously the budget reflected 100% of those expenses even though they were shared with the Water and Sewer budget.

Employees Budgeted – Full-time Town Manager and Assistant Town Manager

Elections & Clerk/Treasurer – Total Decrease of \$606

The Town Clerk is retiring as of Town Meeting and the Accounting Assistant will retire at the end of the fiscal year. As a result, there will be changes in this office. What those changes are depends on the election. If the voters approve appointing the position rather than electing the position, it will be recommended that the Selectboard appoint the current Assistant Town Clerk/Treasurer as the Town Clerk. In that instance, there will be a vacancy in the Assistant Town Clerk/Treasurer position. If the voters do not approve of appointing the Town Clerk, then that position will depend on the election and that may or may not have an impact on the Assistant Town Clerk/Treasurer position.

The Town Treasurer position is dependent upon the results of the election as well. Should the voters approve appointing the position, the combined Clerk/Treasurer position will likely continue as will the Accounting Assistant position. If the voters do not approve of appointing the position, then the position will be decided by the election and the Accounting Assistant position would continue.

Employees Budgeted – Full-time Clerk/Treasurer and Assistant Clerk/Treasurer and 10 hr/wk Accounting Assistant

Planning and Zoning – Total Decrease of \$7,201 or 2.8%

This budget was reduced to reduce the overall budget and is based on eliminating the 16 hour a week administrative assistant position unless similar savings can be achieved another way.

Employees Budgeted - Full-time Planning and Zoning Director and Development Review Coordinator, and 20 hr/wk Zoning Administrator

Assessor

No changes

Buildings and Facilities – Total Increase of \$37,733 or 38%

Most significant change in this budget is the switch from a Director of Buildings and Facilities to a Public Works Director. The Director of Buildings and Facilities was split 70%/30% between the Water and Sewer budget and General Fund Budget. The Director of Public Works is split 50%/50% because of the added responsibility of overseeing the highway department.

There are smaller increases for professional services, utilities, stormwater and solar maintenance based on previous expenses.

Employees Budgeted - Full-time Public Works Director with 50% allocated to general fund budget and 50% allocated to water and wastewater budget.

Police Department – Total Increase of \$7,583 or 0.9%

The 16 hour a week administrative assistant position was eliminated to help offset the increases in wages and retirement. Insurances are down due to personnel changes. Retirement has increased as a result of the change in the retirement plan that increased the Town's contribution by 4.85% to 11.6% of wages.

Employees Budgeted - Full-time Chief and 4 Full-time Officers. Forty hours-week budgeted for per diem shifts with no associated benefits.

Fire & Rescue – Total Increase of \$68,301 or 16%

Call staff pay shows a \$65,000 increase but it is actually a \$25,000 increase because the Call Employee line in the EMS budget was combined with this line. The \$25,000 increase is to provide additional funds for incentivizing call staff to respond to calls and cover shifts that are not covered by the fulltime employees. The retirement increase is due to cost of the new retirement plan that was also offered to police employees. Other minor adjustments are included in the budget.

Employees Budgeted - Regular Part-time Chief at 24 hrs/wk and Two Full-time EMS/Firefighter positions.

EMS – Total Decrease of \$11,060 or 8%

This budget now covers the cost of the ambulance contract with Richmond Rescue and supplies for first response and ambulance dispatch expense. The town has a three-year contract with Richmond Rescue that limits annual increases to 3%. The price for FY24 is unchanged from FY23.

Highway – Total decrease of \$8,150 or 1.1%

Considering the budget pressures this year and the fact that it has been many years since the department had a 4th full-time employee, the Selectboard chose not to budget wages and benefits for the 4th position, however the position is still authorized as 4 full-time employees are needed. The reduction in wages and benefits for the 4th person offset the increases for line striping, winter sand, equipment rentals and other small increases in the budget. If the 4th position is filled in the next year, the corresponding wages and benefits will be added back to the FY25 budget.

Employees Budgeted - One Full-time Road Foreman and Two Full-time laborers. One Full-time laborer position is authorized but not budgeted.

Town Hall Technology is an increase of \$3,150 or 5.4%

Website operations and maintenance is a net decrease of \$1,500 as the town will just be paying for annual maintenance starting in FY24. Computer software is a one-year increase of \$1,400 to update Planning and Zoning's GIS/Mapping software.

Landfill Closure is an increase of \$10,000 or 25%

This increase reflects the anticipated cost for the annual water sampling and testing and landfill inspection. Staff plans to put the next round of sampling (April 2023 and October 2023) out to bid.

Recreation is an increase of \$21,869 or 18%

The most significant increase is the 4th of July event. Inflation and a shortage of workers has driven the cost of Fireworks to \$12,000. Pre-Covid, the fireworks display was \$5,000. The Recreation Committee is planning fundraising activities to help offset the cost.

Employees Budgeted - Full-time Recreation Director at 30 hrs/wk.

Town Forest Committee

The Town Forest Committee is in the budget for the first time with a total budget of \$24,880. All of those expenses though are offset with non-tax revenue from logging as well as the town forest stewardship fund.

Debt Service is down \$3,849 or 1.2%

Decrease is a result of decreasing interest payments on bonds.

Unemployment, Property & Liability and Workers Comp insurances are down \$11,000 or 8%

Actual premiums for the first 6 months of FY24 are lower than was budgeted for FY23. Including a projected increase, it is expected the total cost fo FY24 will be less than was budgeted for FY23.

Agency Funding is down \$150 or 1%

According to the Agency Review Committee, there were eight requests. All were the same as the current fiscal year except for UVM Home Care and Hospice which asked for a \$250 increase. Red Cross did not submit a request.

Capital Transfers is a decrease of \$143,911 or 18%

While total capital budget spending is an increase over FY23, the amount of the budget supported by new tax revenue is down \$42,911. Including the use of \$100,000 of unassigned fund balance, total capital transfers are down \$143,911. In addition to new tax revenue and fund balance, the capital budget is supported by the use of \$325,000 of existing capital funds. Of that amount, \$200,000 is to be used as a down payment for the Engine #3 replacement and \$125,000 is unspent FY23 paving funds that will be used for paving in FY24.

% of Budget

