

# DRAFT

## 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 significant non-tax revenue sources. This results in a higher increase in the amount raised in taxes than the increase in expenses. For example, the Selectboard's draft budget is a 0.54% or \$26,045 increase in expenses but a 5.2% or \$192,791 increase in the amount raised in taxes. Depending on grand list growth, it is estimated that this would result in a \$29.00 increase per \$100,000 of assessed value. On a home assessed at \$400,000, that would equal a \$116 increase.

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. S. 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.

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## EXPENSES

Total expenses are up \$26,045 or 0.52%.

### **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.

### **Selectboard**

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

### **Town Manager – Total Increase of \$10,335 or 4.9%**

Majority of the increase is in wages, followed by insurances. Slight reductions in professional development and professional services.

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

When the budget was first put together it was anticipated that the replacement for the accounting assistant would be an employee and not a contractor so the accounting assistant was zeroed out and the wages line was increased. At this point, it is looking like that will remain a contracted position so that will need to change in the next budget version. The dollar amounts should remain similar though.

### **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.

### **Assessor**

No changes

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## **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.

## **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.

## **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.

## **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 increase of \$2,239 or 0.3%**

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

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## **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 4<sup>th</sup> 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.

## **Town Forest Committee**

The Town Forest Committee is in the budget for the first time with a total budget of \$24,880. All of there 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.

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## **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.