

## **Town Manager Report**

Last year saw the continuation of or evolution of projects and issues that had been discussed in the year prior: Waste Water Treatment Facility Upgrade, Police Coverage, Public Safety Strategic Plan, Town Hall Roof, Sidewalk Construction, Highway Department Staffing, Town Hall and Fire Station Study. The most significant new initiative was the contract with Richmond to provide them with police services. Looking forward, the FY25 budget continues with many of the same projects and initiatives.

Like last year, the most significant change over the past year has been with the Police Department. At this time last year, we had four full-time employees covering shifts Monday – Saturday. Now we have six full-time employees covering Monday through Friday 7:00 am – 11:00 pm and Saturday and Sunday 7:00 am – 7:00 pm as well as covering the Town of Richmond. Under the current contract Hinesburg covers Richmond from Hinesburg 104 hours a week and provides up to 40 hours of patrol coverage a week. This is paid for on an hourly basis. In addition, Hinesburg provides Richmond with Police Chief services which is paid for through a flat monthly rate. For FY25, it is likely that Hinesburg will continue to provide Police Chief services similar to how we do now. Depending upon how many officers Richmond hires, the number of general police service and patrol hours we provide will likely decrease.

Turning to buildings, a study on the needs of the fire station and town hall was completed and many options were considered for both. For the town hall, an addition to the existing building was the recommended alternative. That option would allow the majority of the existing town hall to be available for community use, while all office space would be located in the addition. For the fire station, two main options were considered. One was to construct a new station where the current one exists and the other was to build a new station on a vacant parcel of land along Commerce St. Further work on replacing or adding to either building is paused until the town knows what the final cost of the new Waste Water Treatment Plant will be. However, temporary repairs occurring early in 2024 to the town hall will allow the use of the large meeting room again. More significant long-term repair will eventually need to occur, likely returning discussion to further renovations and an addition to serve the future needs of the community.

Construction of the new waste water treatment facility was delayed by a year due to the bids received in early spring of 2023 being significantly higher than what had been estimated. Since that time the project has been value-engineered which will hopefully result in a lower construction cost. That being said, the project will still be very expensive and result in higher waste water bills for customers, especially if new users are not added to the system through all of the proposed developments in the village area.

This past year did see the completion of the village south sidewalk project, which connected the Hinesburg Community School to the Meadow Mist development. Years in the making, it was great to see this project finish. In addition to sidewalk repairs that were completed, the Town has submitted a grant to fix the sidewalk along Route 116 between the WCVT building and Kelley's field, which is regularly covered in mud and ice depending upon the season.

Staffing changes since the last report include a fully staffed Highway Department consisting of Rick Bushey as Road Foreperson, Dominic Musumeci as Crew Leader and Nick Race and Joe Gulia as Maintainers. In the Water Department, Mark Lund has joined Assistant Chief Operator John Alexander as an Operator-In-Training. Originally Mark was hired for the Highway Department and Joe was hired for the Water Department but due to their individual interests and talents, they have decided to change positions. In the Fire Department Connor Contois has joined Justin Beauchemin as a Firefighter/EMT. Brett Flansburg was hired to fill the Sargent position; Nick Labonte was hired as a full-time police officer contingent upon a contract with Richmond and Jeremy Hulsof was promoted to Corporal. Heather Roberts was elected Town Clerk and Treasurer and she appointed Kitty Frazier as her assistant.

## **Finances**

The Town ended FY23 with revenues and other financing sources of \$4,700,047 and expenses of \$4,870,783 for a difference of (\$170,736). The unassigned general fund balance decreased by \$282,228 to \$677,864, which was \$6,228 more than was budgeted. However, most of that decrease in unassigned fund balance was the result of transfers to assigned capital funds. In total, the town's assigned capital funds increased by \$312,810 to \$937,774. The unassigned general fund balance of \$677,864 is equal to 14% of the proposed FY25 operating budget, which is within the generally accepted range of 12%-15%.

### **FY25 BUDGET PRESSURES**

- To reduce the cost of the FY24 budget, the Selectboard chose not to fund the 4<sup>th</sup> Highway position due to it being vacant for years. The position is now filled so the cost of the 4<sup>th</sup> Highway position is back in the budget in the amount of \$88,661.
- The Capital Budget is increasing \$147,616 mainly to cover payments on a new mini-pumper, fire engine and two highway trucks.
- Use of the unassigned fund balance as a revenue source is decreasing by \$25,000.
- Landfill closure expenses (monitoring well testing, Point of Entry Treatment system maintenance) are estimated to increase by \$27,500 and could increase further in the future if additional drinking water wells become contaminated and need to be treated and/or tested.
- Due to rate increases and changes in personnel, health insurance is budgeted to increase by 19%.

### **FY25 BUDGET RELIEF**

- The estimated \$240,000 of new revenue from the Richmond Police contract offsets the Police Department budget increase of \$109,000 and reduces the overall tax impact of the budget.
- The use of \$55,000 in bond proceeds reduces the tax impact of the \$189,700 Highway garage bond payment. There will be no bond proceeds to use in FY26 to offset the tax impact.
- Recreation revenue is budgeted to increase by \$15,000.
- Interest income is budgeted to increase by \$40,500.
- The cost of the reappraisal is budgeted to be covered by State reappraisal funds.

## **Revenue**

The draft budget is a 13% increase in revenue resulting in a 5.5% increase in the amount raised in taxes (\$215,594). The main reason the amount raised in taxes isn't increasing significantly more is due to assumed revenue of \$240,000 from a police contract with Richmond. Without that revenue, the amount raised in taxes would need to increase by 11.6% to cover the proposed budget expenses. As in previous years, the budget assumes a deficit, but it is reduced to \$125,000 from \$150,000. In other words, the budget as it is, wouldn't raise enough revenue to cover the town's expense needs.

Assuming a 1% increase in the value of the grand list, it is estimated that the budget would result in a tax rate increase of 4.3% or \$25.90 per \$100,000 of assessed value.

<b>Estimated Tax Rate Increase</b>	
Assesed Value	FY25
\$200,000	\$51.80
\$250,000	\$64.75
\$300,000	\$77.70
\$350,000	\$90.65
\$400,000	\$103.60
\$450,000	\$116.55
\$500,000	\$129.50
\$550,000	\$142.45
\$600,000	\$155.40

The planned capital purchases of the Engine #2 replacement and the two Highway trucks will require \$147,616 more in tax revenue than the current year, though some of that is offset by a decrease of \$21,000 in the police department capital budget. The net result is a 25% increase in taxes needed to support the capital budget. As a reminder, that figure would have been significantly higher if the Town did not apply \$250,000 of ARPA funds toward the purchase of the highway trucks.

### **Expenses**

The cost of health insurance and changes in personnel and respective plans is having an impact on this budget. For example, this budget estimates the Town's cost of a family plan to be \$33,897, while the town's cost of a single plan is \$12,101. Thus, a change in personnel from a single plan to a family plan would result in a \$21,796 increase in the budget. The budget assumes a 2% increase in non-union employees' contribution to health insurance premiums from 10% to 12%. Union employees already contribute 15%. For the FY25 budget, there is a change in the Town Clerk budget from a family plan and a single plan to two family plans. In the Highway Department there is a change from two single-person plans to 4 single-person plans. In the Police Department budget there is the increase of one single-person plan for the temporary 6<sup>th</sup> full-time officer. In other departments where there is a decrease in the insurances line item, that is mainly due to the cost of the health insurance opt-out payment moving from the insurances line to the wages line since it is taxable as income.

Wages are budgeted to increase 5% to maintain parity with the increase for union positions as well as to keep wages competitive with surrounding towns. Retirement costs are generally up across all departments due to an increase in wages as well as an increase in the required employer contribution percentage.

### **Town Manager**

Both employees take the health insurance opt-out so the main change in this budget is the movement of that expense from insurances to wages.

### **Town Clerk**

As mentioned above, the most significant increase is in insurances due to changes in personnel and insurance plans.

Line 36: The amount budgeted for the accounting assistant is broken out from wages.

## **Planning and Zoning**

Most significant change is movement of opt-out expenses to the wages line.

## **Assessor**

Line 69: The cost of the reappraisal is added but is offset by the use of state funds for reappraisals.

## **Buildings and Facilities**

Most significant change is an increase in the Director of Public Works salary to be more attractive (split 50/50 with Water & Wastewater) and adding 10% of wages and benefits for the two Water & Wastewater employees to the general fund budget to reflect the work they do in buildings and ground maintenance (for example, sidewalk plowing).

Line 77: Health insurance is not budgeted for the Director of Public Works position

Line 90: This represents the expense of the Hartland Community Solar contract. The Selectboard entered into this 25-year contract in 2023. Solar credits are applied to a variety of Town GMP accounts and then the Town is billed for 90% of the value of the credits. As a result, the Town only realizes 10% of the value of all of the solar credits.

## **Police Department**

The most significant change in this budget is maintaining the temporary 6<sup>th</sup> full-time officer for the Richmond contract at the cost of \$87,275 in salary and benefits.

Line 106: The cost of dispatch services from Shelburne has increased by \$5,000 to \$50,000

Line 120: Williston Community Justice Center is new \$5,000

In December town officials resumed talks with Richmond officials to discuss the future of police coverage in both towns. As of the writing of this overview, it appears that cooperation with Richmond is likely to continue in FY25. However, it isn't clear what that coverage will be. As a result, the proposed budget is based on providing a level of service similar to what we currently provide. Therefore, a conservative revenue estimate of \$240,000 is proposed. If Hinesburg provides less service in FY25, we will collect less revenue which means that we will need to adjust operations and expenses accordingly.

For comparison, through November 2023, the town received revenue of \$154,300 for the Richmond contract and had expenses of approximately \$35,000 due to the contract. Assuming there is no change in the level of service through the end of FY24, it is estimated that the town would receive \$374,000 in revenue and have contract expenses of \$77,000.

## **Fire & Rescue**

Most significant changes are the movement of opt-out payments to wages from insurances and the increase in auto and liability insurance for the department.

Line 130: Was reduced by \$10,000 based on a review of the actual amount spent in FY23.

## **Highway**

Most significant increase is in wages and insurances due to adding the 4<sup>th</sup> position back to the budget and changes in insurance coverages.

There are also increases in chloride, salt, sand and fuel due to material increases. Fuel is expected to increase with 4 plow trucks operating instead of 2.

### **Landfill**

There is a \$20,000 increase in POET (Point of Entry Treatment) system maintenance because two additional POET systems have been installed (for a total of four) and in the event that more need to be installed. There is also a \$10,000 increase in monitoring and testing in the event that more wells need to be monitored/tested or repairs need to be made to monitoring wells or if more monitoring wells need to be installed.

### **Recreation**

Opt-out payment was moved to wages and the costs of field maintenance and youth programs was increased to reflect past actuals. The proposed \$15,000 increase in Recreation revenue more than offsets those expense increases.

Line 261: The 4<sup>th</sup> of July is unchanged because the funds in the FY25 budget will actually be used for the FY26 event because we need to pay for the fireworks in the fiscal year beforehand.

### **Conservation**

Line 276: Is level funded at \$7,500. Request was for \$30,000

### **Town Committees**

Line 281: The Affordable Housing Committee's original request was \$10,500 and then they reduced their request to \$5,500 but ultimately accepted a budget of \$5,000. The committee is still asking for \$50,000 in ARPA funds.

Line 284: Town Forest budget was added. Is 100% offset by non-tax revenue

Line 285: Trails budget was reduced from \$5,000 to \$500. Planned project can be funded with capital funds.

Line 287: DEIB budget was increased to \$1,500 from \$500. Any project can be funded with ARPA funds.

### **Lake Iroquois**

Line 346: LIA is level funded at \$7,500. Their request was for \$15,000

### **Library**

Line 335: The library is requesting \$256,200, a 5% increase

### **Capital Transfers**

Line 353: General Capital is increased by \$42,000, the amount that was in Fire/Rescue for the mini-pumper payment. This amount is to be set aside FY25-FY28 to make up for using ARPA funds for the purchase.

Line 357: Fire/Rescue is reduced by \$42,000 to reflect the alternate funding scenario which is connected to the change on Line 353.

Budgeted Full-Time Equivalents				
	FY22	FY23	FY24	FY25
Town Mgr	2	2	2	2
Town Clerk	2	2	2	2
Recreation	0.75	0.75	0.75	0.75
Planning	2.9	2.9	2.5	2.7
Highway	4	4	3	4
Police	7.625	6.425	6	6.375
Buil & Fac	0.3	0.3	0.5	0.7
Fire	2	2.6	2.6	2.6
<b>Total</b>	<b>21.58</b>	<b>20.98</b>	<b>19.35</b>	<b>21.13</b>

	Tax by Assessed Value			
	\$200,000	\$300,000	\$400,000	\$500,000
General Government	\$396	\$594	\$792	\$990
Highway	\$186	\$279	\$372	\$466
Police	\$193	\$290	\$386	\$483
Fire/Rescue/EMS	\$171	\$256	\$342	\$427
Library	\$78	\$117	\$156	\$195
Capital Transfers	\$220	\$330	\$440	\$551
Appropriations	\$13	\$19	\$25	\$32
<b>Total Town Tax</b>	<b>\$1,257</b>	<b>\$1,886</b>	<b>\$2,514</b>	<b>\$3,143</b>

