FY 2027 Proposed Budget:

Town Council Regular Sessions
April 14 and April 28, 2026

Dan Hoffman
Town Manager

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Director of Finance

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Agenda

- FY27 Proposed Budget
  - Fund Summaries and Priorities
  - General Fund Summary
  - Real Estate Tax
  - Proposed Rates
  - Water and Sewer Rates

FY 2027 Proposed Budget: **Summary**

BUDGET SUMMARY				
In Thousands	FY 2026 Adopted	FY 2027 Proposed	Increase/ (Decrease)	
			$	%
General Fund	$ 50,438	$ 48,938	$ (1,500)	-3.0%
Water and Sewer Fund	27,681	29,615	1,934	7.0%
Chestnut Grove Cemetery Fund	2,304	1,103	(1,202)	-52.1%
Golf Course Fund	5,113	3,645	(1,468)	-28.7%
Capital Projects Fund	5,941	11,664	5,723	96.3%
Stormwater Management Fund	4,262	3,021	(1,240)	-29.1%
American Rescue Plan Act (ARPA)	-	1,845	1,845	
Total Expenditures - All Funds	**$ 95,738**	**$ 99,831**	**$ 4,093**	**4.3%**

FY 2027 Proposed Budget: **General Fund Summary**

General Fund Summary						
In Thousands						
General Fund	FY 2024 Actual	FY 2025 Actual	FY 2026 Adopted Budget	**FY 2027 Proposed Budget**	**Increase/ (Decrease)**	
					$	**%**
Revenue & Resources:						
General Property Taxes	$ 13,931	$ 14,053	$ 15,294	$ 15,826	$ 532	3.5%
Other Local Taxes	18,692	17,766	19,867	19,131	(736)	-3.7%
Program Revenues	3,490	4,323	3,855	4,671	816	21.2%
Use of Money/Property	2,332	2,079	2,048	1,373	(675)	-32.9%
Intergovernmental	5,105	5,126	5,445	5,355	(90)	-1.7%
Use of Fund Bal & Other	650	852	3,929	2,581	(1,348)	-34.3%
Total	**44,201**	**44,198**	**50,438**	**48,938**	**(1,500)**	**-3.0%**
Expenditures:						
Personnel	29,020	30,741	33,285	33,605	320	1.0%
Operations & Maintenance	9,387	10,553	11,616	12,129	513	4.4%
Debt Service	1,515	1,354	1,315	1,600	285	21.7%
Transfers	250	-	1,324	870	(454)	-34.3%
Capital Expenditures	951	2,234	2,899	734	(2,165)	-74.7%
Total	**41,123**	**44,882**	**50,438**	**48,938**	**(1,500)**	**-3.0%**
Net Change in Fund Bal	**$ 3,078**	**$ (683)**	**$ -**	**$ -**	**$ -**	

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FY 2027 Proposed Budget: **Average Residential Tax Bill**

No proposed increase to Herndon's Real Estate Tax rate; remains $0.27 per $100 of assessed value.

Proposed FY 2027 Average Residential Tax Bill - $1,591



FY 2027 Proposed Budget: **Proposed rates**

- Real Estate Tax – no increase
- Meals Tax – no increase

- **Resolutions and Ordinances for consideration include:**
  - Solid Waste Fee
  - Golf Fees
  - Water and Sewer Rates

Water – FY 2027 Proposed rates

Quarterly Service Charge

Meter Size (1)	Current FY 2026	Proposed FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030	Projected FY2031
5/8”	$21.24	$27.61	$35.90	$46.67	$48.65	$50.72
% Change YOY		**30%**	**30%**	**30%**	**4.25%**	**4.25%**

Quarterly Billing	
Meter (in.)	$
5/8	$27.61
3/4	$41.41
1	$68.99
1 1/2	$138.02
2	$220.80
3	$441.63
4	$690.06
6	$1,380.10

Volumetric Rates

Rate per 1,000 gal.	Current FY 2026	Proposed FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Base Rate	$4.79	$5.63	$6.62	$7.78	$8.24	$8.74
Peak Rate (2)	$8.15	$9.58	$11.26	$13.23	$14.02	$14.86
% Change YOY		**17.5%**	**17.5%**	**18%**	**6%**	**6%**

Fiscal Impact of proposed increase

Total	**$856,066**
Avg household/yr	**$65.80**

1) *Service charges for larger meter sizes are escalated at the same rate.*

2) *Peak Rate charged for usage in excess of the average consumption of the preceding two winter quarters. Charge is in addition to base water usage for bills issued June-Nov*

Sewer – FY 2027 Proposed rates

Quarterly Service Charge

Meter Size (1)	Current FY 2026	Proposed FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
5/8”	$15.95	$19.94	$24.92	$24.92	$32.48	$33.86
% Change YOY		**25%**	**25%**	**25%**	**4.25%**	**4.25%**

Quarterly Billing	
Meter (in.)	$
5/8	$19.94
3/4	$27.53
1	$42.75
1 1/2	$80.78
2	$126.42
3	$248.11
4	$385.02
6	$765.28

Volumetric Rates

Rate per 1,000 gal.	Current FY 2026	Proposed FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Base Rate	$9.64	$10.42	$11.98	$13.78	$14.88	$16.07
% Change YOY		**8%**	**15%**	**15%**	**8%**	**8%**

Fiscal Impact of proposed increase

Total	**$511,947**
Avg household/yr	**$53.40**

1) *Service charges for larger meter sizes are escalated at the same rate.*