



To: The Hinesburg Selectboard  
 From: Trevor M. Lashua, Town Administrator  
 Date: November 16, 2015  
 Re: Proposed FY17 municipal budget

The proposed FY17 municipal budget is \$3,342,345, an increase of \$126,257, or 3.9%, from the FY16 budget as approved by voters. The proposed budget includes the transfers to the capital improvement program, the primary mechanism through which capital items (heavy equipment, facilities, major infrastructure projects, etc.) are funded. Of the proposed FY17 budget increase, \$112,698 is associated with capital transfer increases and the remaining \$13,559 (a 0.4% increase) with all other general fund areas.

Revenue

The proposed FY17 budget assumes a slight increase (\$2,050) in non-property tax revenue. Adjustments made in FY16 to reduce revenue estimates associated with real estate and land use lessened the impact of additional adjustments proposed for FY17. A bevy of smaller increases across the other categories nets an overall increase. The projected non-property tax revenue is \$529,500, leaving \$2,812,845 to be raised by property taxes.

Grand List Growth/Loss

The proposed budget assumes a 1.02% increase in the grand list (the average increase between FY07 and FY16). The grand list value utilized is \$5,270,612.11. Nearly all of the grand list growth projected is due to residential development occurring in areas outside of the village.

Fund Balance

There is no fund balance applied to lower the tax rate. Preliminary numbers from the audit indicate the fund balance is again slightly less than the \$250,000 “rainy day” target.

Expenditures

The bulk of the proposed increase in expenditures is for capital items, specifically the first payments on a new rescue pumper truck for the Fire Department (nearly \$98,000) and a new dump truck (nearly \$35,000). Both were planned replacements in prior versions of the capital budget, and the rescue pumper truck replaces two older fire vehicles. A table provided along with the budget materials shows increases and decreases greater than \$5,000.

FY17 *proposed*: \$3,342,345  
 FY16 *approved*: \$3,216,088  
 +/- (expenditures): +\$126,257  
 Preliminary FY17 Tax Rate: \$0.5337<sup>1</sup>  
 +/- (from approved FY16 tax rate): \$0.0172

*Estimated Municipal Property Tax impact – Residential Property Owners*

Assessed Value:	<u>\$200,000</u>	<u>\$300,000</u>	<u>\$400,000</u>
<i>Annual +/-</i>	\$34.37	\$51.55	\$68.74
<i>Monthly +/-</i>	\$2.86	\$4.30	\$5.73

<sup>1</sup> Tax Rate Calculation: (FY17 Budget – non-property tax revenue) ÷ grand list.  
 (\$3,342,345 – \$529,500) ÷ \$5,270,612.11 = \$0.5337