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MEMO

To: Hinesburg Selectboard
Department Heads & Staff
From: Joe Colangelo, Town Administrator
Date: 28 - December - 2012
Re: FY 2014 Hinesburg Town Budget Status and Update

Introduction

The purpose of this memo is to summarize the FY2014 Hinesburg Town budget process to date and update the Selectboard and staff on the status of the FY2014 budget proposal.

Budget Process Review

The budget process started in early September when budgets were distributed to department heads; the process continued in October when each department head met with the Town Administrator and Selectboard member Phil Pouech to review department level budget requests; the Town Administrator presented the Selectboard with a budget proposal on November 5th; between the November 12th meeting and December 17th the Selectboard met with each department head to review each section of the proposed FY2014 budget; now the Selectboard has the month of January to make edits and changes to the budget before setting the Warning for Town Meeting on January 28th.¹

Original Budget Proposal

Originally, the total FY2014 budget called for an expenditure increase of \$117,156 from current year expenditures - \$3,084,577 compared to \$2,967,421 - a 3.95% increase. This increase in proposed expenditures, coupled with a low estimate in grand list growth (0.43%), resulted in a budgeted increase of \$107,500 in property tax revenue to balance the FY2014 budget. In order to generate the additional \$107,500 the property tax rate would require a bump of 2¢. The major drivers² responsible for this proposed increase in the original budget proposal are summarized in the table on the following page.

¹ See <http://www.hinesburg.org/budget/index.html> for detailed budget timeline and schedule

² The table below only lists major drivers and is not inclusive of every line-item increase. See <http://www.hinesburg.org/budget/budget-fy2014/budget-fy2014-expenditures.pdf> for all increases and decreases in the originally proposed budget

<u>Department</u>	<u>Item</u>	<u>Increase</u>
CCTA Bus Service	Annual Membership	\$11,204
Hinesburg Community Police	COPS Grant	\$71,500 ³
Buildings & Facilities	Town Hall Improvements	\$10,000
Buildings & Facilities/Recreation	Storage Barn	\$12,500
Recreation Department	Coordinator's Hours	\$6,500
Fire Department	Insurance	\$6,800
Highway Department	Fog Line Painting	\$10,000
Highway Department	Gravel Roads Capital	\$5,000
Highway Department	Equipment	\$55,562
Planning & Zoning Department	Special Projects	\$14,500
Town Hall Technology	GIS Software Upgrade	\$7,500
Conservation Commission	Lake Iroquois Association	\$5,000
Selectboard	Attorney's Fees	\$5,000
Staff Wages	3% Increase	\$25,805
<u>TOTAL</u>	<u>TOTAL</u>	<u>\$246,871</u>

These increases were off-set somewhat by a few line-items of proposed significant savings.

<u>Department</u>	<u>Item</u>	<u>Increase</u>
Highway Department	Employee Benefits	\$23,357
Highway Department	Paved Roads	\$25,000
Recreation Department	250 th Celebration	\$5,000
Fixed Costs	Debt Service	\$33,000
Applied Fund Balance	Applied Fund Balance	\$59,500 ⁴
<u>TOTAL</u>	<u>TOTAL</u>	<u>\$145,857</u>

³ This is not an increase in expenditures but a loss in revenue. See line 74 in FY2014 proposed revenues: <http://www.hinesburg.org/budget/budget-fy2014/budget-fy2014-revenues.pdf>

⁴ This is not a decrease in expenditure. It's an increase in non-property tax revenue. See link in footnote 3 above, line 80.

Selectboard Budget Goals

Upon review of the original FY2014 budget proposal the Selectboard engaged in a ‘budget retreat’ on December 17th to review the proposed budget. Before diving into budget details, each Board member discussed overarching goals they had for the FY2014 budget.

1. Keep the property tax increase to no more than 1¢
2. Retain all current Town jobs
3. Grant Cost of Living Adjustments to staff
4. Keep at least 7.5% of total expenditures in fund balance⁵

Selectboard’s Important Projects and Initiatives Worthy of Funding in FY2014 Budget

Selectboard members also discussed line-item expenditures and programs proposed as increases to the FY2014 budget they would support as part of the final budget.

1. Highway Fog Line Program
2. CCTA Bus Program
3. Recreation Coordinators Weekly Hours Increase
4. Planning Department – Special Projects – West Side Study
5. G.I.S. Software & Training
6. Paving Richmond Road in FY2014
7. Town Forest Committee Increase

Selectboard’s Optional Items for FY2014 Budget

Board members discussed line-item expenditures they would like to consider eliminating or reducing from the final budget proposal.

1. Storage Barn for Buildings & Facilities and Recreation
2. Contracted Excavator Services in Highway Budget
3. Dump/Plow Truck Purchase in Highway Budget
4. Contracted Engineering Services in Highway Budget
5. Electronic Speed Sign in Highway Budget
6. Selectboard Attorney Line-Item
7. Reduce Lister’s Department Professional Services
8. Library Budget
9. Recreation Department’s Events & Performances
10. Reduce Town Administrator’s Professional Development
11. Review Police & Highway Department Benefits for Additional Savings

Selectboard’s Long-Term Vision Items

The following ideas were discussed as part of long-term visioning:

1. Investigate a designated grant writer for the Town
2. Add an incentive program to boost volunteer fire fighter numbers
3. Look at sharing police services with other communities
4. Complete a dry hydrant inventory

⁵ The Selectboard’s adopted Fund Balance policy is to keep 7.5% of total expenditures in fund balance.

5. Review CCTA Ridership
6. Develop work plans for all departments
7. Review sand & gravel usage
8. Increase cooperation within the Town organization with a focus on cross-training
9. Re-focus on Town Garage/Drop-off center

Updated Budget Proposal for January 7, 2013

The tables below outlines the expenditures changes from the original budget proposal on November 5 and the 'working' budget proposal going into the January 7, 2013 Selectboard meeting.⁶

<u>Department</u>	<u>Item</u>	<u>Decrease</u>
Buildings & Facilities/Recreation	Storage Shed	(\$12,500)
Highway Department	Excavator	(\$20,000)
Highway Department	Engineering	(\$4,000)
Highway Department	Dump/Plow	\$0
Highway Department	Electronic Sign	(\$6,000)
Recreation Department	Events & Performances	(\$2,350)
Lister's Department	Professional Services	(\$3,700)
Library	Capital Increase for current year	(\$10,000)
Town Administrator	Professional Development	(\$1,000)
Selectboard	Attorney's Fees	(\$5,000)
<u>TOTAL</u>	<u>TOTAL</u>	<u>(\$64,550)</u>

<u>Department</u>	<u>Item</u>	<u>Increase</u>
Buildings & Facilities/Recreation	Town Forest Committee	\$5,000
<u>TOTAL</u>	<u>TOTAL</u>	<u>\$5,000</u>

⁶ The changes outlined here are not binding. They reflect the general direction coming out of the budget retreat.

<u>Original Total Expenditures</u>	<u>Updated Total Expenditures</u>	<u>Change: Increase/(Decrease)</u>
\$3,084,57	\$3,025,027	(\$59,550)

<u>Original Property Tax Increase</u>	<u>Update Property Tax Increase</u>	<u>Change: Increase/(Decrease)</u>
2.01¢	0.85¢	(1.16¢)

Next Steps

FY2014 budget deliberations will continue on January 7th from 6pm-7pm as part of the regularly scheduled Selectboard meeting. The Carpenter – Carse Library Board and the Agency Request Review Committee will present their proposed budgets and funding requests from the Town at January 7th Selectboard meeting starting at 7pm. The Selectboard has regular meetings scheduled to finalize the budget on January 7th, 14th, and 21st before the January 28th deadline. Please direct questions before the January 7th meeting to Joe Colangelo and Phil Pouech.