

MEMORANDUM

To: The Hinesburg Selectboard

From: Trevor M. Lashua, Town Administrator

Date: January 2, 2015

Re: Proposed FY16 Budget

This memo provides a look at what multiple budget scenarios may look like, to assist with the 1/5/15 Board discussion on FY16 budget outcomes and priorities.

The scenarios all envision that grand list growth will be 1%, non-property tax revenue will be \$421,900, and that no fund balance will be available to apply to lower the tax rate as in years past. Reappraisal appears in the FY16 budget as a sizeable “new” expense; however, it will be covered entirely by non-property tax revenue.

Scenario #1 – Level-funded (expenditures) budget

FY15 Approved: \$3,072,060

FY16: \$3,072,060

+/- (expenditures): \$0

Tax Rate: \$0.5074

+/- (from approved FY15 tax rate): + \$0.0276

Scenario #2 – No change in the tax rate (\$0.4856)

FY15: \$3,072,060

FY16: \$2,958,113

+/- (expenditures): -\$113,947

Tax rate: \$0.4856

+/- (from approved FY15 tax rate): \$0.00

Scenario #3 – 1% increase in expenditures

FY15: \$3,072,060

FY16: \$3,102,781

+/- (expenditures): \$30,720

Tax Rate: \$0.5133

+/- (from approved FY15 tax rate): +\$0.0277

Scenario #4 – 2% increase in expenditures

FY15: \$3,072,060

FY16: \$3,133,501

+/- (expenditures): \$61,441
 Tax Rate: \$0.5192
 +/- (from approved FY15 tax rate): +\$0.0336

Scenario #5 – 3% increase in expenditures

FY15: \$3,072,060
 FY16: \$3,164,222
 +/- (expenditures): \$92,162
 Tax Rate: \$0.5251
 +/- (from approved FY15 tax rate): \$0.0395

Scenario #6 – Current (01/05/15) Town Administrator’s draft budget

FY15: \$3,072,060
 FY16: \$3,274,815
 +/- (expenditures): +\$202,555 (\$124,555 without reappraisal)
 Tax Rate: \$0.5313
 +/- (from approved FY15 tax rate): \$0.0457

What one penny on the tax rate means for the residential property owner:

<u>\$200,000 home</u>	<u>\$300,000 home</u>	<u>\$400,000 home</u>
\$20	\$30	\$40