

MEMORANDUM

To: The Hinesburg Selectboard

From: Trevor M. Lashua, Town Administrator

Date: January 26, 2015

Re: Proposed FY16 Budget

The proposed FY16 budget (dated 1/26/15) includes a proposed increase in expenditures of 2.24% (once reappraisal is removed), and would require an increase of 3.74 cents from the tax rate as approved for FY15 based upon conservative non-property tax revenue and grand list growth projections.

Revenue

Non-property tax revenue for FY16 is projected to be \$407,450. This does not include \$78,000 in funds for reappraisal, which can only be used for the intended purpose. Total non-property tax revenue, including the funds for reappraisal, is \$485,450.

Grand List Growth/Loss

The proposed FY16 budget utilizes a grand list growth projection of 1.08%, the average rate of growth between FY07 and FY15.

Fund Balance

There is no unassigned fund balance available to lower the FY16 tax rate. Draft audit documents show the unassigned fund balance as nearly \$245,000, close to the minimum unassigned fund balance threshold (7.5% of budgeted General Fund expenditures, no less than \$250,000).

Expenditures

Proposed expenditures total \$3,141,117, not including reappraisal (which brings the total to \$3,219,117). The 1/26/15 draft includes three changes identified by the Selectboard during the 1/19/15 meeting, and one additional change to the line for property and liability insurance:

- Selectboard salaries and FICA (lines 4 and 5): -\$2,729.
- Town Forest Committee (line 116, "Forest Old/New): +\$1,500. The increase is from the prior draft of the FY16 budget. The \$1,500 is the same amount appropriated for FY15.
- Property and Casualty insurance (line 338): -\$4,000. The decrease is from the prior draft of the FY16 budget. The increase is \$16,000 from FY15.
- Carpenter-Carse Library allocation request (line 360): -\$1,495. This reduces the proposed allocation increase from FY15 to 2.29% (the proposed general fund budget increase, prior to this change to the library's request).

Current (01/26/15) Town Administrator's draft budget (minus reappraisal)

FY15: \$3,072,060

FY16: \$3,141,117

+/- (expenditures): +\$68,857

Proposed FY16 Tax Rate: \$0.5230

+/- (from approved FY15 tax rate): \$0.0374

Impact on a residential property owner whose home is valued at:

<u>\$200,000</u>	<u>\$300,000</u>	<u>\$400,000</u>
+\$74.80/year; or \$6.23/month	+\$112.20/year; or \$9.35/month	+\$149.60/year; or \$12.47/month

Tax rate impact is calculated in the following manner:

$$\begin{array}{r} \$3,141,117 \text{ (FY16 proposed budget, minus reappraisal)} \\ - \quad \underline{\$407,450 \text{ (projected non-property tax revenues)}} \\ \$2,733,667 \text{ (the amount to be raised by taxes)} \\ \\ \$2,733,667 \text{ (the amount to be raised by taxes)} \\ \div \quad \underline{\$5,226,980 \text{ (the grand list, including project growth at 1.08\%)}} \\ \$0.5230 \text{ (proposed FY16 tax rate)} \end{array}$$