

TOWN OF HOPKINTON

Budget Committee & Select Board 2017 PROPOSED BUDGET

Presentation to Town Meeting
Saturday, March 18, 2017



Select Board Goals

To maintain a level town tax rate in 2017.

To honor the work done throughout the year by the staff acknowledging how important the staff is in the running of the town.

To provide seed money to bolster economic development.



Budget Process to Date

- Department Heads prepared budget requests keeping in mind the Select Board's goals.
- Department Heads met with the Town Administrator and Finance Director to review budget requests.
- Department Heads held a “Budget Summit” to present and review all requests and overall impact.



Budget Process to Date

- Department Heads presented their Capital requests to the CIP Committee
- Select Board met with each Department Head to review requests
- CIP Committee presented its recommendations to the Select Board



Budget Process to Date

Department Heads did an excellent job meeting the established goals, leaving very little work for the Select Board.

Thank you to them for their hard work!



Budget Process to Date

Select Board discussed requests and made several policy changes that were implemented into the budget:

- Determined the on-going organizational structure of the Fire Department
- Changed the employees share of health and dental contribution from 7.5% to 10.0%. Still looking at other options prior to July 1 start.



Results

- Estimated 2017 amount to be raised by taxes is \$4,355,400 which is equal to the 2016 amount.
- Estimated 2017 town portion of the tax rate is \$7.09/thousand, which is equal to the 2016 amount.



And now the numbers...



Revenue

Estimated Revenue of **\$3,026,605**

- Increase of \$64,699 – 2.18%
- Increases in Motor Vehicle Fees and Ambulance Revenue account for most of this increase.



Operating Budget

Total Operating Budget of **\$6,990,096**

- Increase of \$573,505 – 8.94%

- Major Drivers

• Road Rehabilitation Bond (1 st Payment)	\$249,279
• Merit Wage Pool (4%)	\$ 87,562
• Worker's Compensation (due to no credit)	\$ 67,394
• Health Insurance	\$ 66,682
• Economic Development	\$ 31,000
• NH Retirement	\$ 21,172

TOTAL – Major Drivers - \$523,089



Warrant Articles for CRF/Maintenance Trusts

Total Warrant Articles of **\$536,000**

- Decrease of \$75,500 – -12.35%

- Major Drivers

▫ Road Rehabilitation CRF	- \$250,000
▫ Fire Vehicle Replacement CRF	\$ 50,000
▫ Highway Vehicle Replacement CRF	\$ 45,000
▫ Town Hall Renovations CRF	\$ 45,000
▫ Revaluation CRF	\$ 22,000
▫ Town Facilities Maintenance Trust	\$ 15,000

TOTAL – Major Drivers - \$ 73,000



Individual Warrant Articles

Total Individual Warrant Articles **\$ 15,000**

- Increase of \$ 15,000 – 100.00%
- For the one-time digitalization of Town Property Records



Use of Unreserved Fund Balance

Use of Fund Balance to offset taxes

\$ 418,091

- Increase of \$ 418,091 – 100.0%

So what is Unreserved Fund Balance...?



Unreserved Fund Balance

Money remaining in the previous year budget after all obligations have been met that is not committed for other purposes and can be allocated in the upcoming budget or returned to reduce taxes.



Unreserved Fund Balance

NH Department of Revenue
Administration (DRA) recommends an
Unreserved Fund Balance retainage of
a minimum of 5% of all taxes
committed which includes town,
school, county and precincts.

- ▣ Cash flow
- ▣ Emergencies



Unreserved Fund Balance

Unreserved Fund Balance 1/1/16	\$1,658,970
5% Retainage	1,163,642

Available for use 2017 - \$ 495,328



Unreserved Fund Balance

Proposed Unreserved Fund Balance Use 2017

Operating Budget	\$ 231,091
Digitalization WA	15,000
EDC Studies	22,000
Town Hall Parking	50,000
Grader	<u>100,000</u>

Total - \$418,091



Unreserved Fund Balance

Estimated Unreserved Fund Balance
available for use in 2018

Remaining From Current	\$ 77,237
Estimated from 2016 budget	<u>200,000</u>

**Total Available for 2018 -
\$277,237**



Summary of Proposed 2017 Budget

Tax Rate Impact

TO BE RAISED BY TAXES:

<u>2016</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
\$4,355,400	\$4,355,400	\$ 0	0.00%

TAX RATE:

<u>2016</u>	<u>2017 *</u>	<u>\$ Change</u>	<u>% Change</u>
\$ 7.09	\$ 7.09	\$ 0.00	0.00%

*-Using 2016 actual property valuation



QUESTIONS?

