

Town of Hopkinton Select Board 2019 Proposed Budget

Presentation to the Budget Committee

Wednesday, December 5, 2018

Select Board Budget Goal

- To propose a 2019 estimated tax rate with an increase of no more than 4.0%



Budget Process to Date

- Department Heads prepared budget requests following the Select Board's request to stay within a 2.0%-4.0% budget increase.
- 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.
- Department Heads presented their Capital requests to the CIP Committee.



Budget Process to Date

- Select Board met with each Department Head to review requests.
- Select Board received capital recommendations from the CIP Committee.
- Select Board began its work of preparing its budget



Select Board Changes to DH Requests

Operating Budget

- The Select Board began its work of creating this budget.
- The decision was made for the Town Clerk/Tax Collector to remain at the Town Hall saving \$31,500
 - Eliminate PT person - \$29,068
 - Telephone - \$960
 - Heating Fuel - \$1,500
- Legal Fees \$ (5,000)
- Merit Wage Pool \$ (12,506)
 - Decreased from 3.5% to 3.0%



Select Board Changes to DH Requests

Operating Budget

- Cemeteries \$ (3,800)
 - Level funded
- Ambulance Training/OT Wages \$ (3,360)
 - Increase halved
- B&G Building Repair \$ (2,500)
 - Increase halved
- Library Repair & Maintenance \$ (5,000)
 - Decreased due to fire
- Community Development Director \$ (23,898)
 - Proposed position eliminated

Total Operating Budget Changes - \$ (87,564)



Select Board Changes to DH/ CIP

Committee Requests

Capital Appropriations

- Recreation Facilities CRF \$ (45,000)
 - George Park plan not yet finalized
- Police/Fire Radio Replacement CRF \$ (10,000)
 - Funding eliminated
- Town Hall Renovation \$ (75,000)
 - Year 3 of funding eliminated
- Library Building System CRF \$ (5,000)
 - Funding eliminated



Select Board Changes to DH/ CIP Committee Requests Capital Appropriations

- Ambulance CRF \$ (25,000)
 - Replacement plan extended
- Sewer Equipment/Sludge Removal \$ (50,000)
 - Funding eliminated
- Library Building & Grounds Maint. Trust \$ (5,000)
 - Funding eliminated
- Town Facilities Maintenance Trust \$ (55,000)
 - Funding eliminated

Total Capital Appropriations Changes - \$ (270,000)

**In summary, cuts obtained by not fully funding CIP Plan
resulting in pushing off projects and deferring maintenance.**



Select Board Proposal



Revenue

- Estimated Revenue of \$3,211,492
 - Increase of \$22,885 - .072%

- Major Drivers

- | | |
|---------------------------------|-------------|
| • Interest & Penalties on Taxes | \$ (20,000) |
| • Motor Vehicle | \$ 20,000 |
| • Ambulance Charges | \$ 20,000 |

Total – Major Drivers - \$ 20,000



Operating Budget

- Total Operating Budget of \$7,282,386
 - Increase of \$158,972 – 2.23%

- Major Drivers

• TC/TC PT position elimination	\$ (31,359)
• Merit Wage Pool	\$ 70,652
• Health Insurance	\$ 28,429
• Police FT Wages	\$ 25,016
• Police PT Wages	\$ (16,696)
• Paving & Shimming	\$ 16,800



Operating Budget

- Major Drivers continued

• DPW FT Wages	\$ 36,364
• Transfer Station FT Wages	\$ (13,222)
• Sewer Wages	\$ (13,198)
• Sewer Professional Services	\$ 11,400
• Transfer Station Building Maint.	\$ 15,000
• Transfer Station Equip/Repair	\$ (10,000)
• Debt Principal & Interest	\$ (17,556)

Total – Major Drivers - \$101, 630



Capital Reserve/Maint. Trust Funds

- Total CRF/Maint. Funds of \$547,000
 - Decrease of \$118,000 – 17.74%

- Major Drivers

• Fire Vehicle Replacement	\$ 45,000
• Highway Vehicle Replacement	\$ 20,000
• Police Vehicle Replacement	\$ (25,000)
• Town Hall Renovations	\$ (75,000)
• Ambulance Replacement	\$ (50,000)
• Town Facilities Maint. Trust	\$ 30,000

Total – Major Drivers - \$ (55,000)



Individual Warrant Articles

- Total Individual Warrant Article of \$ 0
 - Decrease of \$30,000 – 100.00%
- No articles proposed this year.



Use of Fund Balance

- Total use of Fund Balance of \$ 135,000
 - Decrease of \$195,000 – 59.09%
- Fund Balance offsets the amount needed to be raised by taxes.



**2019 TAX RATE ESTIMATION
SELECT BOARD NUMBERS**

	<u>2018 Approved</u>	<u>2019 Proposed</u>	<u>\$ Change</u>	<u>% Change</u>
<u>REVENUE</u>				
Operating Revenue	3,198,050	3,211,492	13,442	0.42%
From Special Revenue	113,200	113,200		
Total	3,311,250	3,324,692	13,442	0.41%
	(5.33)	(5.35)	(0.02)	0.41%
<u>OPERATING BUDGET</u>				
Expenses	7,123,414	7,282,386	158,972	2.23%
TAX IMPACT	11.46	11.71	0.26	2.23%
<u>WARRANT ARTICLE(CRF/TRUST FUNDS)</u>				
To CRF	633,000	502,000	(131,000)	-20.70%
To Trust Funds	32,000	45,000	13,000	40.63%
Total	665,000	547,000	(118,000)	-17.74%
TAX IMPACT	1.07	0.88	(0.19)	-17.74%
<u>WARRANT ARTICLES (INDIVIDUAL)</u>				
Economic Development Funds	30,000	-	(30,000)	100.00%
Pay-by-Bag Special Revenue	110,000	110,000	-	0.00%
Senior Center Rental Spec. Rev	3,200	3,200	-	0.00%
Total	143,200	113,200	(30,000)	-20.95%
TAX IMPACT	0.23	0.18	(0.05)	-20.95%
<u>OTHER RATE IMPACTS</u>				
Fund Balance use	(330,000)	(135,000)	195,000	0.00%
Overlay	91,871	80,000	(11,871)	-12.92%
War Service Credits	197,000	197,000	-	0.00%
Total	(41,129)	142,000	183,129	-445.26%
TAX IMPACT	(0.07)	0.23	0.29	-445.26%
<u>GRAND TOTALS</u>				
GRAND TOTALS	4,579,235	4,759,894	180,659	3.95%
TAX IMPACT	7.36	7.66	0.29	3.95%

Valuation 2018

621,759,222



Tax Rate Impact

- Amount to be raised by taxes

<u>2018</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
\$4,579,235	\$4,759,894	\$ 180,659	3.95%

- Tax Rate using current valuation

<u>2018</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
\$7.36	\$7.66	\$ 0.30	3.95%



Questions?

