

Town of Hopkinton

Select Board & Budget Committee

2023 Proposed Budget

Budget Committee Public Hearing

Wednesday, February 8, 2023

Thank
You!

- Department Heads
- Finance Director Kelly Henley and
Town Administrator Neal Cass
- Budget Committee and Select Board
- Volunteers

Select Board Goals

- Maintain current level of service.
- Minimize the effects of the current inflation.
- Retain a well-qualified staff.
- Plan for the Transfer Station lagoon cleanup.
- Make progress on the long over-due road maintenance issues.

Enhanced Unknowns

- Inflation
- Economy in General
- Fuel & Utility Costs
- Additional Funding

The Realities of 2023

- Heating fuel up 46.88%
- Gas/Diesel up 86.61%
- Trash Transport/Disposal up 27.66%
- Demolition Hauling up 145.45%
- Houston Barn Bond \$34,720 payment
- Employee Merit Pool up \$167,648
- Health Insurance up \$37,739 (4.6%)
- Transfer Station Lagoon Closure
- Sewer infrastructure needs
- Road maintenance needs

Select
Board
&
Budget
Committee
Proposal

- All-in, a 2023 tax rate increase of \$0.46/1000 – 6.46%
- A \$2.0 million 10-year bond for road rebuilding of a large portion of Briar Hill Road

Budget Process to Date

- Department Heads prepared their budget requests
- Department Heads met with the Town Administrator to review budget requests.
- Select Board met with each Department Head to review requests.
- Select Board reviewed the capital expenditure plan
- Select Board began its work of preparing its budget
- Select Board presented to the Budget Committee

Details of Select Board Proposal



Operating Budget

- **Total Operating Budget of \$9,177,987**
 - Increase of \$894,472 – 10.8%
 - Excluding Sewer \$851,695 – 10.5%



Operating Budget

- Major Drivers (>\$50,000)

• Merit Wage/Benefit Pool (6.5%)	\$167,648
• Transfer Station Lagoon Engineering	\$150,000
• Road Maintenance	\$159,000
• Fuel – Gas/Diesel/Heating Oil	\$106,620
• Transfer Station Hauling/Tipping	\$ 94,000



Pay-by-Bag Special Revenue Fund

- Authorizes \$60,000 already collected to be expended
- Offsets a portion of Hopkinton's share of Transfer Station costs.



Unreserved Fund Balance 12/31/2022

- Estimated available - \$874,521
- Reason for higher-than-expected balance
 - Unanticipated revenue from State.
 - Higher than expected ambulance fees collected.
 - Sale of a piece of Town property.



Use of Fund Balance

- Total use of Fund Balance of \$ 560,000
 - Increase of \$515,000
- Fund Balance offsets the amount needed to be raised by taxes.



Tax Rate Impact

- Amount to be raised by taxes

<u>2022</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
\$5,593,479	\$5,982,224	\$388,745	6.95%

- Tax Rate using estimated 2023 valuation

<u>2022</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
\$7.07	\$7.53	\$ 0.46	6.46%

Details of Proposed Bond

(no 2023 tax impact)



Road Maintenance Plan

- Road maintenance has been seriously underfunded for many years.
- Plan in place to catch up “maintenance” backlog over the next 5 years.
- Will continue to increase Paving/Shimming line item by 5% per year.
- .



2023 Road Bond

Bond Cost (\$2.0 million)

- 10-year at interest rate of 5.0% -
- Total interest costs: \$550,000
- Year 1 payment

$\$300,000 = .3786$ on tax rate - $\$300,000$ property = $\$132.52$

- Year 10 payment

$\$210,000 = .2650$ on tax rate - $\$300,000$ property = $\$ 92.77$



Questions?

