

Town of Hopkinton

Budget Committee & Select Board

2020 Proposed Budget

PRESENTATION FOR PUBLIC HEARING
FEBRUARY 12, 2020



Budget Process to Date

Department Heads prepared budget requests.

Department Heads meet with Town Administrator and Finance Director to review budget requests.

Department Heads held a “Budget Summit” to review all requests and overall impact.



Budget Process to Date

Department Heads presented their Capital requests to the CIP Committee

The Select Board met with each Department Head to review requests.

Select Board reviewed the CIP Committee recommendations.



Budget Process to Date

Select Board cut the Department Heads' requests by \$102,200 and the CIP Committee's recommendation by \$265,000.

The Select Board was able to use \$350,000 from the Undesignated Fund Balance to offset taxes – \$215,000 more than last year.



Difficult year

This has been one of the most difficult years to prepare this budget and no one is happy with the results...



Final Results

Operating Expenses

Change in Tax Impact \$ 421,350

CRF/Trust Fund Funding

Change in Tax Impact \$ 343,500

Individual Warrant Articles

Change in Tax Impact \$ 0

Use of Fund Balance

Change in Tax Impact -\$ 215,000

2020 Estimated to be raised by taxes \$5,243,045 +\$390,485 8.05%

2020 Estimated Town Portion Tax Rate \$6.75/thousand +\$ 0.50 7.87%

Let's do the numbers...



Revenue

Estimated Revenues of \$3,379,592

- Increase of \$123,673 - 3.80%

Major Drivers:

- | | |
|-------------------------------|-------------|
| ◦ Land Use Change Tax | - \$ 32,000 |
| ◦ Motor Vehicle Registrations | 80,000 |
| ◦ Municipal Aid From State | 49,891 |
| ◦ Income from Sewer Fund | 60,603 |
| ◦ Transfer Station Commercial | -20,000 |
| ◦ Recycling Revenue | -10,000 |



Potential Future Revenue Sources in Process

- Part-time or Per Diem Economic Development Director
 - Half paid by the TIF Districts
 - To encourage development and obtain grants
- Solar Array at Transfer Station
 - Option has been exercised
 - They are moving forward



Operating Budget

Total Operating Budget of \$7,703,736

- Increase of \$421,350 - 5.79%

Major Drivers:

- | | | |
|--------------------------------------|----|---------|
| ◦ TC/TC PT Wages | \$ | 21,956 |
| ◦ Merit Wage Pool (3.0%) | | 78,142 |
| ◦ Health Insurance (6.4% GM) | | 121,175 |
| ◦ Police FT Wages | | 27,610 |
| ◦ DPW FT Wages | | 23,385 |
| ◦ Sewer Increase (offset by Revenue) | | 60,603 |



Warrant Article for CRF & Trusts

Total Warrant Articles of \$890,500

- Increase of \$343,500 - 62.80%

Major Drivers:

◦ Fire Vehicle Replacement	\$127,500
◦ Road and Culvert Rehabilitation	100,000
◦ Ambulance Replacement	50,000
◦ Library Building Systems	20,000
◦ Library Buildings & Grounds	41,000
◦ Sewer Equip./Sludge Removal	30,000
◦ Town Facilities Maintenance Trust	-20,000



Individual Warrant Articles

Proposed Road Bond of \$2,200,000

First impact in 2021 estimated at \$250,000 per year for 10 years.

- Kearsarge Avenue Culvert 430,000 (Currently plated)
- Briar Hill Road Culvert #2 390,000 (Moved to Stickney Hill)
- Briar Hill Road Culvert #3 390,000
- Bound Tree Road Culvert #1 130,000
- Bound Tree Road Culvert #2 330,000
- Tyler Bridge (engineering/deck) 530,000



Review of Pending Road Project

Projects that should be done now:

◦ Chip Seal 18 Roads	392,258
◦ Shim & Overlay 17 Roads	1,286,809
◦ Reclaim & Rebuild 20 Roads	3,954,771
◦ Culverts & Bridges	2,230,000

TOTAL = \$7,863,838



Use of Undesignated Fund Balance

Total use of Fund Balance to offset taxes \$350,000

- Increase of \$215,000 - 159.3%



**2020 TAX RATE ESTIMATION
SELECT BOARD NUMBERS**

	<u>2019 Approved</u>	<u>2020 Proposed</u>	<u>\$ Change</u>	<u>% Change</u>
<u>REVENUE</u>				
Operating Revenue	3,255,919	3,379,592	123,673	3.80%
Road Bond	-	2,200,000		
From Special Revenue	110,910	113,200		
Total	3,366,829	5,692,792	2,325,963	69.08%
	(4.33)	(7.33)	(2.99)	69.08%
<u>OPERATING BUDGET</u>				
Expenses	7,282,386	7,703,737	421,351	5.79%
TAX IMPACT	9.37	9.91	0.54	5.79%
<u>WARRANT ARTICLE(CRF/TRUST FUNDS)</u>				
To CRF	502,000	819,000	317,000	63.15%
To Trust Funds	45,000	71,500	26,500	58.89%
Total	547,000	890,500	343,500	62.80%
TAX IMPACT	0.70	1.15	0.44	62.80%
<u>WARRANT ARTICLES (INDIVIDUAL)</u>				
Road Bond	-	2,200,000		
Pay-by-Bag Special Revenue	110,000	110,000	-	0.00%
Senior Center Rental Spec. Rev	910	3,200	2,290	251.65%
Total	110,910	2,313,200	2,202,290	1985.66%
TAX IMPACT	0.14	2.98	2.83	1985.66%
<u>OTHER RATE IMPACTS</u>				
Fund Balance use	(135,000)	(350,000)	(215,000)	0.00%
Overlay	215,693	180,000	(35,693)	-16.55%
War Service Credits	198,400	198,400	-	0.00%
Total	279,093	28,400	(250,693)	-89.82%
TAX IMPACT	0.36	0.04	(0.32)	-89.82%
<u>GRAND TOTALS</u>				
GRAND TOTALS	4,852,560	5,243,045	390,485	8.05%
TAX IMPACT	6.25	6.75	0.49	7.87%

Valuation 2019

777,100,755



Summary of Proposed 2020 Budget

Tax Rate Impact

TO BE RAISED BY TAXES:

<u>2019</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
\$4,852,560	\$5,243,045	\$ 390,485	8.05%

TAX RATE:

<u>2019</u>	<u>2019*</u>	<u>\$ Change</u>	<u>% Change</u>
\$ 6.25	\$ 6.75	\$ 0.50	7.87%

*-Estimated using 2019 actual property valuation.



QUESTIONS

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