



To: The Hinesburg Selectboard, residents and voters  
 From: Renae Marshall, Town Administrator  
 Date: January 29, 2018  
 Re: Proposed FY19 Municipal Budget

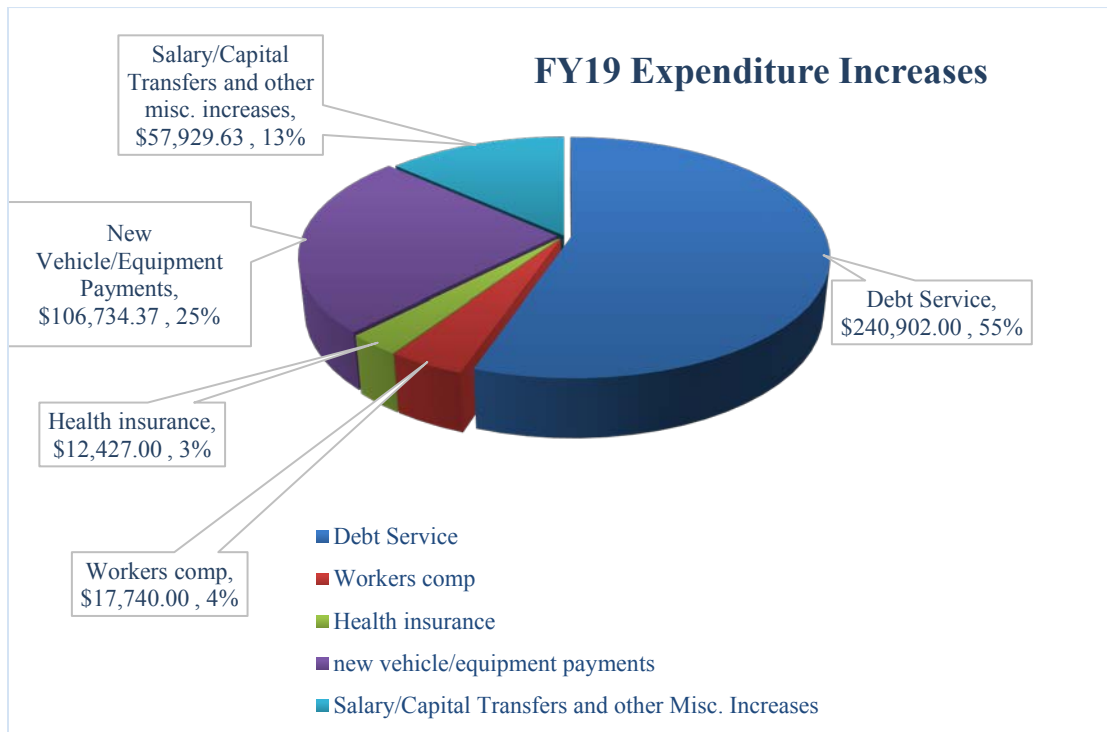
The proposed FY19 municipal budget is \$3,855,040, an increase of \$435,733 (12.74%) from the FY18 budget as approved by voters. The bulk of the proposed increase, \$240,902 (just over 55%), can be found in debt service as the first payments on the bond for the highway garage and solar trackers begin in FY19. The majority of the remainder of the increases are due to transfers to the capital improvement program, the mechanism through which capital items (heavy equipment, facilities, infrastructure projects, etc.) are funded as well as an increase in rates for health insurance and worker's comp insurance.

Expenditures

The overall increase in expenditures would be reduced to 4.79% by not including the following fixed costs built into the FY19 budget:

- Increase in debt service for the FY19 payments on the highway garage and solar trackers (\$240,902)
- Increase in worker's comp insurance rates (\$17,740)
- Increase in health insurance premiums (\$12,427)

In addition to the above fixed costs, there is a total of \$106,734 in new vehicle and equipment payments that begin in FY19. Not including all of the fixed costs that have been highlighted, the total expenditures have increased less than 1% over the current fiscal year. The chart below provides a visual of the significant drivers of the FY19 budget increases.

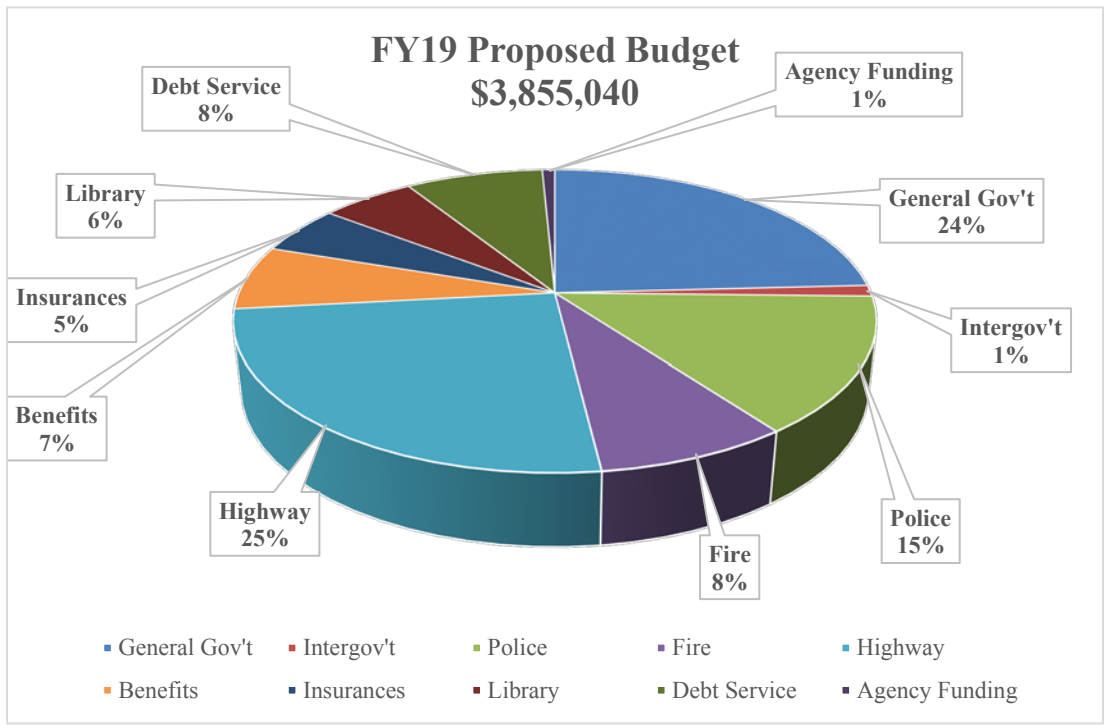


Revenue

Projected non-property tax revenue is \$753,417 (see note in projected revenue regarding VT Gas), leaving \$3,101,623 to be raised by property taxes.

The proposed FY19 budget includes the following revenue projections:

- A new revenue line has been created to reflect solar credits from energy produced by the solar arrays. The revenue from this source is projected to equally offset the debt service for the FY19 payment to the municipal bond bank for the solar trackers purchase.
- \$23,000 of police impact fees are proposed to be utilized to offset a portion of the FY19 debt service on the new police station.
- An additional \$100,800 of property tax revenue for FY19, beyond what is projected to be raised, is expected to be received from VT Gas for tax on the new transmission line going through Hinesburg. (Note: This figure is currently reflected in the non-property tax revenue as it is not yet included in the grand list projection)



General Gov't = Selectboard, Town Administrator, Clerk/Treasurer, BCA, Delinquent Tax Collector, Elections, Assessor, Recreation, Buildings & Facilities, Public Health, Cemetery, Conservation Commission, Hinesburg Preservation Fund

Insurances = Property & Casualty Insurance, Worker's Compensation, Unemployment Insurance

Benefits = Health Insurance, Health Insurance Opt-out, Vision, Dental, Short and Long term Disability, and the employer's contribution to the Vermont Municipal Retirement Fund (VMERS)

Fire = Fire Department and Fire Warden

Intergov't = Green Mountain Transit, County tax, Lake Iroquois Recreation District

Grand List Growth/Loss

The proposed budget assumes a 0.45% increase in the grand list over FY18 (the average increase between FY07 and FY17 was 1.10%) based on current data from the assessor. The grand list value is estimated to be \$6,010,827.

Fund Balance

The FY19 budget proposes to apply \$120,000 of unassigned fund balance to decrease the tax rate by approximately 2 cents.

Summary

FY19 ***proposed***: \$3,855,040

FY18 ***approved***: \$3,419,307

+/- (expenditures): +\$435,733

Preliminary FY19 Tax Rate: \$0.5160<sup>1</sup>

+/- (from approved FY18 tax rate): \$0.0229

*Estimated Municipal Property Tax impact – Residential Property Owners*

Assessed Value:	<u>\$200,000</u>	<u>\$300,000</u>	<u>\$400,000</u>
<i>Annual</i> +/-	\$45.81	\$68.72	\$91.62
<i>Monthly</i> +/-	\$3.82	\$5.73	\$7.64

---

<sup>1</sup> Tax Rate Calculation: (FY19 Budget – non-property tax revenue) ÷ grand list.  
 $(\$3,855,040 - \$753,417) \div \$6,010,827 = \$0.5160$