



To: Hinesburg Selectboard
From: Joe Colangelo, Town Administrator
Date: November 13, 2011
Re: First Look at FY2013 Budget

The FY2012-2013 Hinesburg Town budget will benefit from healthy grand list growth, the retirement of long-term debt, and the elimination of the one-time capital expense for the local share of the Silver Street Bridge in the FY2012.

The FY2013 budget will focus on three (3) main components: 1) an emphasis on a long-term capital budgeting to ensure predictable budgets in the future; 2) the creation of one (1) new full-time position; 3) a number of necessary special projects for the Planning & Zoning Department.

Grand List Growth

The Grand List is predicted to increase by nearly \$7,000,000. This is a significant increase from the past four (4) years as shown in the table below:

<u>Fiscal Year</u>	<u>Grand List Growth</u>
FY2013	6,925,000
FY2012	3,145,000
FY2011	4,855,000
FY2010	4,430,000
FY2009	5,735,000
FY2008	7,485,000

The taxable grand list is projected to increase from the current year's \$5,168,249 to \$5,230,894 in FY2013.

The increase has been estimated by calculating ten (10) new house additions at a total of \$700,000; nine (9) new garage/barns at \$90,000; sixteen (16) new houses at \$2.8mil; thirteen (13) new lots at \$1.2mil; and three (3) new commercial units at \$2,.1mil (this figure includes Jiffy Mart, Spauto, and Kinney).

Expenditures

Expenditures are predicted to decrease from the current years budget. The table below shows the expected tax revenue needed for FY2013 compared to the current year.

	FY2012	FY2013	Change	% of Tax	\$0.01
Selectboard	12,899	17,474	4,575	1%	0.00
Town Administrator	100,033	117,175	17,142	5%	0.02
General Government	28,373	39,939	11,566	2%	0.01
Planning & Zoning	148,423	203,857	55,433	8%	0.04
Clerk Treasurer	68,952	82,041	13,088	3%	0.02
Fixed Costs	208,948	178,948	(30,000)	7%	0.03
Listers	46,000	46,000	0	2%	0.01
Buildings & Facilities	143,257	135,435	(7,822)	6%	0.03
Recreation	49,090	49,021	(69)	2%	0.01
Fire	149,284	172,200	22,916	7%	0.03
Library	182,150	182,150	0	8%	0.03
Police	452,138	447,214	(4,925)	19%	0.09
Highway	894,707	699,407	(195,300)	29%	0.13
Agencies	28,700	28,700	0	1%	0.01
TOTAL	2,512,955	2,399,560	(113,395)	1.00	0.46

Tax Rate

The municipal tax rate, therefore, is expected to decrease slightly, due to the increased grand list and the decreased expected expenditures. The municipal tax rate for the current fiscal year is \$0.4707; the predicted tax rate for FY2013 is currently set at \$0.4586.

Selectboard

In the FY2013 I propose the Selectboard double the annual Selectboard stipend. Basic economic theory suggests that if you increase the incentive (wage) you might create a demand. It appears that the reservation wage needed to create a demand is at a price point higher than what is currently offered by the Town of Hinesburg. It's reasonable to believe if you increase the incentive you may create the necessary incentive to increase participation.

Town Administrator

Proposed in the FY2013 budget is one (1) full-time administrative assistant position shared ½ by the Town Administrator and ½ by the Planning and Zoning Office. In the current year, the Town Administrator has a fifteen (15) hour part-time employee. The increase shown is largely due to the increase needed to fund ½ of the benefits of a full-time assistant.

General Government

The increase in this line is for the FY2013 CCTA funding.

Planning & Zoning

As a percentage increase from the previous year, the Planning & Zoning Department shows the largest increase. Currently, the Planning & Zoning office is staffed by a 20hr per week assistant. This position will be vacated this November when the current employee moves to Florida. This creates the opportunity for the Town to consolidate two (2) part-time positions into one (1) full-time position. I strongly believe consolidating these two (2) part-time positions into one (1) will increase overall productivity because full-time employees identify themselves more with the mission of an organization than do part-time employees. The increase to the budget factors in ½ total benefits cost of a new full-time employee.

The Planning & Zoning Department also has a number of special projects that have been requested for funding and the increase to the budget reflects a commitment to fund all of these projects.

Clerk

Increase due to wages and benefits.

Fixed Costs

Hinesburg will benefit in FY2013 with the retirement of long-term debt; notably, the ten (10) year note for the police station and 2001-fire truck. FY2013 will represent the last year of debt service for the Town Hall bond. The Town will have to plan for the necessary payments for the Community Center & Public Safety Project (CCPS) and relocation, replacement, or rehabilitation of the current Town Garage in the future.

<u>Hinesburg Debt Service</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>
Revenue	-	-	-	-	-	-
Impact Fees	-	-	\$40,000	\$40,000	\$40,000	\$40,000
Transfer from General Fund	\$70,060	\$37,060	\$141,060	\$141,060	\$141,060	\$130,060
Total Revenue	\$70,060	\$37,060	\$181,060	\$181,060	\$181,060	\$170,060
Expenditure	-	-	-	-	-	-
Interest	\$5,060	\$5,060	\$5,060	\$5,060	\$5,060	\$5,060
Town Hall	\$20,000	\$20,000	\$0	\$0	\$0	\$0
2006 Fire Truck	\$15,000	\$12,000	\$11,000	\$11,000	\$11,000	\$0
Police Station	\$15,000	\$0	\$0	\$0	\$0	\$0
2001 Fire Truck	\$15,000	\$0	\$0	\$0	\$0	\$0
CCPS	\$0	\$0	\$165,000	\$165,000	\$165,000	\$165,000
Public Works Garage	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$70,060	\$37,060	\$181,060	\$181,060	\$181,060	\$170,060

To help defray the Town's obligation for the CCPS project – if the bond vote passes at Town Meeting – will be funds collected due to the Impact Fee Ordinance enacted in 2009. Impact Fees may only be used for a) the expansion of the fire station; b) acquisition of an aerial ladder truck; c) construction of a new police facility. The Town must use impact fees within six (6) years of acquisition or they may be refunded. Currently, approximately \$48,000 sits in the fire impact fee fund and \$8000 in the police impact fee fund. The Selectboard needs to plan on reviewing the Impact Fee Ordinance prior to Town Meeting.

Listers

Some changes are on the horizon for the Lister's Office that will impact the organization and function of the department but should have minimal, if any, impact on expenditures. The Town should plan to create a new position: Town Assessor. This part-time position would effectively internalize the appraisal function. The Town of Jericho's model for this function would be appropriate for Hinesburg to consider.

Building & Facilities

There are no significant changes in the Building & Facilities operating budget. Wages and benefits show a slight increase; the Water/Wastewater department offsets 15% of personnel costs. Emphasis for the FY2013 budget will be on establishing a functional Capital Budget program to help smooth costs overtime.

<u>Buildings & Grounds Capital</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>
Beginning Balance						
Revenue						
Grant Funding						
Transfer from General Fund	\$33,433	\$26,433	\$33,433	\$17,000	\$17,000	\$10,000
Total Revenue	\$33,433	\$26,433	\$33,433	\$17,000	\$17,000	\$10,000
Expenditure						
Recreation Path						
Town Server		\$5,000	\$5,000			
Sidewalk Plow/Sander	\$11,433	\$11,433	\$11,433			
Corridor Improvement		\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Tree Planting & Maintenance	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Sidewalk Construction	\$18,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Pick-Up		Replace	\$7,000	\$7,000	\$7,000	
Total Expenditures	<u>(\$33,433)</u>	<u>(\$26,433)</u>	<u>(\$33,433)</u>	<u>(\$17,000)</u>	<u>(\$17,000)</u>	<u>(\$10,000)</u>
Ending Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The Town Server is up for replacement in FY2013 but will be paid for ½ in each of the next two (2) fiscal years. The note for the sander is thru FY2014. 'Corridor Improvements' is the necessary additional funding the Town may need to come-up with for the Recreation Path Project. It's too early to know if the Town will actually need the additional funds – potentially in the neighborhood of \$25,000. If \$25,000 is needed I propose the Town pay that amount over a five (5) year period rather than just in a single year. The Building & Facilities pick-up truck should be replaced in FY2013 with three (3) year note with payments beginning in FY2014. The cost of a new ¾

Library

The Trustees will finalize the Library budget on Wednesday, November 16.

Police

No significant changes proposed to the FY2013 Hinesburg Community Police Department. The Police Advisory Report recommended an 8cent ceiling. Currently the budget shows roughly 8.6. Next year the budget will be impacted when the COPS grant runs out and the Town is responsible for the load of that police officer. Currently the Town is paying the note on two (2) police cruisers and should plan to replace the other two (2) in FY2014.

Police Department	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>
Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0
Revenue						
Grant Funding	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from General Fund	\$22,568	\$29,568	\$23,926	\$31,000	\$31,000	\$31,000
Total Revenue	\$22,568	\$29,568	\$23,926	\$31,000	\$31,000	\$31,000
Expenditure						
New Station						
2011 Tahoe	\$11,284	\$11,284	\$8,463			
2011 Charger	\$11,284	\$11,284	\$8,463			
2006 Tahoe			Replace	\$12,000	\$12,000	\$12,000
2009 Tahoe			Replace	\$12,000	\$12,000	\$12,000
Video Cameras		\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Computers		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Mobile Data Terminals		\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Radios						
Total Expenditures	<u>(\$22,568)</u>	<u>(\$29,568)</u>	<u>(\$23,926)</u>	<u>(\$31,000)</u>	<u>(\$31,000)</u>	<u>(\$31,000)</u>
Ending Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>

Highway

The current year Highway budget should end up to the good. The Town has been operating with half a crew for a few months and will realize a year surplus because of that. The FY2013 budget plans for a potential increase to the benefit charges. The Town is in the process of hiring a new employee and the budget could be impacted depending on the health insurance option that employee would require. Beyond that there is little change projected in the operations portion of the budget.

A heavy focus will be placed on the highway capital program and the Selectboard will be asked to support a plan to properly care for the 26 miles of paved roads in Hinesburg. I recommend a plan to repave all the roads each 11 years. This comes to repaving 2.3 miles of road each year at a cost of \$250,000.

The plan predicts the Town will receive a State Paving grant in FY2013 and FY2016. The Town would, therefore, need to plan on transferring \$175,000 annually into the capital program to keep up with the program.

The Town also must implement a plan to replace equipment by using a combination of cash savings and lease financing options.

Highway Road & Bridge	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Beginning Balance	\$0	\$35,000	\$160,000	\$85,000	\$10,000	\$135,000
Revenue						
Grant Funding		\$200,000			\$200,000	
Transfer from General Fund	\$335,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000
Total Revenue	\$335,000	\$375,000	\$175,000	\$175,000	\$375,000	\$175,000
Expenditure						
Silver Street Bridge	\$150,000					
Shelburne Falls Culvert						
North Road (shim)	\$150,000					
Pond Road	XX					
North Road (pave)		\$250,000				
Richmond Road			\$250,000			
Charlotte Road				\$250,000		
Silver Street					\$250,000	
Hinesburg Hollow Road						\$250,000
Total Expenditures	<u>(\$300,000)</u>	<u>(\$250,000)</u>	<u>(\$250,000)</u>	<u>(\$250,000)</u>	<u>(\$250,000)</u>	<u>(\$250,000)</u>
Ending Balance	<u>\$35,000</u>	<u>\$160,000</u>	<u>\$85,000</u>	<u>\$10,000</u>	<u>\$135,000</u>	<u>\$60,000</u>

<u>Highway Equipment</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>
Dump 1	\$33,690	\$30,000	\$30,000	\$0	\$0	\$0
Dump 2	\$0	Replace	\$40,000	\$40,000	\$40,000	\$40,000
Dump 3	\$0	\$0	Replace	\$40,000	\$40,000	\$40,000
Dump 4	\$0	\$0	\$0	\$0	Replace	\$40,000
One-Ton	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Loader	\$0	\$0	\$0	\$0	\$0	Replace
Case Tractor	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Excavator	\$0	Replace	\$10,000	\$10,000	\$10,000	\$10,000
Grader	\$22,993	\$22,993	\$22,993	\$22,993	\$22,993	\$22,993
Mowing Attachment	\$35,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Chipper	\$18,000	\$0	\$0	\$0	\$0	\$0
Total	<u>\$109,683</u>	<u>\$71,993</u>	<u>\$121,993</u>	<u>\$131,993</u>	<u>\$131,993</u>	<u>\$171,993</u>

Agencies

The Agency Review Committee will present the Selectboard its recommendations in January.

Steps Forward

<u>Date</u>	<u>Activity</u>
November 14	Budget Presentation By Town Administrator
November 21	Discussion of Budget by Selectboard
November 28	Police and Fire Budget Discussion
December 5	Highway Budget Discussion
December 19	General Administration
January 2	Agency Requests, Misc Items
January 9	Review Budget and Discuss
January 23	Finalize Budget and Warn for Town Meeting