



To: Hinesburg Town Residents  
From: Joe Colangelo, Town Administrator  
Date: January 23, 2012  
Re: FY2013 Proposed General Fund Budget

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The budget for voters to consider at Town Meeting on March 5, 2012 for the fiscal year starting on July 1, 2012 and ending June 30, 2013 is balanced at \$2,967,420 with the amount of \$2,497,173 to be raised by property taxes. If the budget is adopted as presented the estimated municipal property tax rate for FY2013 will be \$0.4659; this would represent a decrease of \$0.0054 from the current year and reduce the burden on the Hinesburg property tax payer by the following amount(s) depending on homestead valuations.

<u>200K</u>	<u>300K</u>	<u>400K</u>	<u>500K</u>
\$11	\$16	\$22	\$27

The property tax rate proposed for FY2013 includes the allocation of \$108,000 from the unassigned fund balance, an amount equivalent to a little bit more than \$0.02 on the tax rate. The last audit, completed January 2012 (for the fiscal year ending on June 30, 2011), shows the general fund unassigned fund balance at \$430,000. The written policy of the Town is to hold between 7.5% and 10% of the total budget in reserve (unassigned fund balance) but no less than \$250,000. Because of an error made when setting the FY2012 tax rate, the Town has elected to hold an additional \$72,000 in reserve for FY2013 to guarantee the unassigned fund balance stays above \$250,000.

The following is an attempt to explain the proposed FY2013 budget so Hinesburg residents can feel more informed before voting on March 5<sup>th</sup>.

#### General Government Budget

The total general government portion of the budget is roughly 41% of the total municipal budget. The proposed FY2013 budget shows a \$42,283 increase in expenditures and a decrease of \$10,663 in non-tax revenues resulting in a \$52,946 net increased burden to Hinesburg property tax payers for general government operations. That increase will be alleviated with an estimated \$43,837 of fund balance (41% of \$108,000) that will be applied before the tax rate is set in July (2012). This portion of the budget will be voted as Article 5 and Town voters will be asked to appropriate the sum of \$1,013,607 to defray the general government expenses for the Town. The figure \$1,013,607 is the difference between total expenditures and total non-property tax revenue.

The most significant 'drivers' responsible for the increase to the general government budget are the following:

- An increase of \$12,698 in the Town Administrator's budget to fund a full-time position to be shared with Planning & Zoning. Currently the Town Administrator's budget has money necessary for 5 hours per week from the Administrative Assistant and this budget proposes to increase those hours to 20.
- The Town Clerk budget shows an increase of \$6,374. This is mainly because of additional funds needed for the 2012 Presidential Election and increased hours for the part-time Accounting Assistant.
- The Planning & Zoning budget is proposed to increase by \$21,441. Much of the increase (\$8,489) is due to increases in health insurance premiums for employees in that department. Two (2) other significant increases are found in Special Projects and Capital Transfers. Under Special Projects, the Town is proposing to fund an update of the Town's Stormwater Regulations for \$1,000 and fund \$7,500 towards the matching

money needed for a Growth Center Designation application. The Town is also planning to purchase high resolution aerial photography in order to enhance map making abilities and supply better visualization review materials. The estimated cost for the maps is between \$15,000 - \$24,000 and the Town is planning to purchase these maps out of the capital budget via annual transfer payments of \$5,000. The Planning & Zoning department has budgeted for a \$9,000 reduction in revenues for Building Permits and DRB Applications.

- The Buildings & Facilities budget is projecting a slight decrease of \$5,500 due mostly to health insurance coverage changes and a \$9,100 decrease to the Town Hall repair and maintenance budget.
- The Volunteer Fire Department budget shows a \$37,814 increase. This is almost completely due to the need for the Town to begin adequately funding the capital budget needs of the department. To that aim, the capital budget shows cash reserves increasing each year for the next five in order to make those larger purchases in the future without running the risk of taking on too much debt. On the revenue side, the Town charges St. George 15% of the past years budget for annual fire protection services and this line shows a \$1,407 increase.
- The Town Hall Technology budget shows an increase of \$10,401. \$7,401 of the increase is simply due to a reshuffling of the phone and postage line-items from being placed within each department to being placed as aggregate items for all of Town Hall. Another \$2,000 of the increase is due to a two year funding plan to replace the server in the Town Hall.
- The Recreation budget is up \$4,539. \$5,000 has been budgeted to help the Town celebrate the 250<sup>th</sup> Anniversary and \$14,000 more is proposed for capital projects. These increases are balanced by a \$12,200 decrease in the Recreation Facility Maintenance budget. The Town is proposing to upgrade the ice rink (\$8000) and spend the \$34,000 necessary in permitting costs for potential new recreation fields that are proposed to be gifted to the Town from land currently owned by the Bissonette family. Construction costs and plans for this site will be available to the public at Town Meeting, if not before.
- Fixed Costs show a significant decrease mostly to the long-term debt that will be retired by the Town in the current fiscal year. The FY2013 budget shows the elimination of the police station and 2001 fire truck loans.
- CCTA (commuter bus service) funding shows the \$21,204 necessary to fully fund the Town's first annual \$35,000 CCTA membership fee. After the pro-rated amount the Town is expecting to pay in April for the start of CCTA service, the Town will have \$12,796 left to put towards the FY2013 budget.

If Article 5 is approved at Town Meeting, Hinesburg residents will be responsible for funding the general government operations of the Town at a tax rate of 18.91 cents. The burden on the property tax payer for funding the general government operations will be the following depending on homestead values.

<u>200K</u>	<u>300K</u>	<u>400K</u>	<u>500K</u>
\$378	\$567	\$756	\$946

### Highway Budget

Article 6 asks Hinesburg voters to appropriate the sum of \$766,786 for highway purposes. This amount represents the total expenditures necessary for the highway (\$898,786) minus the non-tax revenue of \$132,000. \$766,786 represents 31% of the total Town budget. FY2013's Highway Budget shows a \$128,264 decrease from the current year. The most significant reason for the decrease is the completion of the Silver Street Bridge project and the resulting \$150,000 savings from not having to fund that project again.

What stands out most in the highway budget is a \$49,689 increase shown for employee benefits. The highway department has experienced significant personnel changes over the past year (2 out of 4 employees are new) and the increase represents the change in the type of health insurance plans.

The highway budget shows a more robust capital improvement plan. The goal of the capital budget (and corresponding 5 year capital improvement plan) is to smooth total expenditures (and the tax rate) over time by planning for the capital needs of the Town. The highway capital improvement has three distinct sections: 1) roads & bridges; 2) gravel & culverts; 3) equipment.

1. Roads & Bridges: The plan shows and attempt to pave 2.3 miles of road each year in an effort to implement an 11 year pavement cycle for all paved roads. Approximately \$250,000 would be required annually to accomplish that objective. The capital plan shows for \$175,000 to be raised from the property tax each year and \$200,000 to come to the Town in grant funding every 3<sup>rd</sup> year. \$150,000 of the \$175,000 is a reallocation of funds from the line-item 'Blacktop' in the highway budget.
2. Gravel & Culverts: This item represents on-going maintenance and upgrades needed for the Town's gravel roads. This is a reallocation of funds from the line-items 'Highway Culverts' and 'Crushing'.
3. Equipment: The highway department has a number of large pieces of equipment, such as four dump trucks, a grader, and an excavator (plus someothers). These pieces of equipment must be put on a planned replacement schedule for functional, safety, and budgetary reasons. The capital improvement plan shows which pieces of equipment need to be replaced over the next 5 years.

If Article 6 is approved at Town Meeting, Hinesburg residents will be responsible for funding the Town's highway budget at a tax rate of 14.31 cents and the burden on the property tax payer will be the following depending on homestead values.

<u>200K</u>	<u>300K</u>	<u>400K</u>	<u>500K</u>
\$286	\$429	\$572	\$715

### Community Police Department

Article 7 of the Town Meeting Warning asks voters to approve the Hinesburg Community Police Department budget by allocating \$487,106 for that purpose. The total police budget is \$579,606 and offset by \$92,500 in anticipated revenue; additionally, if the planned \$108,000 of fund balance is applied to the budget, the police department would see a further reduction of roughly \$21,000 for the property tax payer. Included in that revenue figure are fines (from traffic violations) and \$71,500 for a COPS grant the Town received to fund a police officer position for 3 years so long as the Town carries the total cost of that officer in the 4<sup>th</sup> year. FY2013 represents the 3<sup>rd</sup> year of funding for that position.

The police budget shows an increase of \$35,093. Much of the increase is due to 1) increasing health insurance premiums and 2) increased capital needs of the department. The police department capital budget must pay for the lease payments on two (2) 2011 cruisers and supply funding to upgrade video cameras, computers, and mobile data terminals for the department.

The most significant change in the operational aspect of the police department is included with the salary wage line. An additional \$10,000 has been allocated to support 24 hour on-call service. Currently the police department operates from 7am – 11pm. The new 24 hour on-call proposal would require officers to act much like volunteer fire fighters in the since that they would respond (from home) between the hours of 11pm – 7am if and only if there is an issue in Hinesburg. The proposal estimates 5 calls per month and includes the increased fuel usage and increased wages for officers responding after hours (officers would receive pay for a minimum of 4 hours for each call). With the 24 hour on-call included with the wages for the year the total budget for wages in the police department is only up \$630. This is due to the fact that when the Deputy Chief was appointed to the Chief position the Town eliminated the Deputy Chief position for a supervisory position of lower rank (to be filled at some point in FY2013).

The Selectboard appointed a committee this year to look at Hinesburg's police and public safety services and report back with recommendations on how Hinesburg might meet those needs cost effectively and in accordance with appropriate standards of service. One of the recommendations of that committee was to investigate 24 hour on-call service. Another recommendation from that committee was to try to cap the police department's burden on the property tax payer at an amount not to exceed 8 cents. It should be noted that the figure of 8 cents was used as a base by looking at past Hinesburg police budgets when the health insurance benefits were not included with the total cost of the police budget. The FY2013 Hinesburg Community Police budget for voters to consider at Town Meeting includes \$51,000 worth of health insurance benefits (this is part of the \$103,777 total employee benefits figure). If the health insurance benefits were subtracted out of the budget the burden on the property tax payer would be about 8.1 cents.

If Article 7 is approved at Town Meeting, Hinesburg residents will be responsible for funding the Hinesburg Community Police Department budget at a tax rate of 9.09 cents and the burden on the property tax payer will be the following depending on homestead values.

<u>200K</u>	<u>300K</u>	<u>400K</u>	<u>500K</u>
\$182	\$273	\$364	\$454

Other Budget Items

Articles 8 – 11 include allocation of property tax dollars to the Carpenter-Carse Library (\$192,425), the Land Preservation Fund (\$7,500), the Lake Iroquois Recreation District (\$600), and Agencies & Organizations (\$29,150). Of these Articles, the most significant change is an increase of \$10,275 for the Carpenter-Carse Library. Almost all of that increase is due to the fact that more maintenance and capital improvement projects are needed so the library facility can continue to be fully operational.

Total Budget Summary

The total budget, as presented, including the estimated \$108,000 to be applied from the Fund Balance to offset the tax-rate for FY2013, will require a tax rate of 46.59 cents and will represents ½ cent decrease in the property tax compared to the current year. The total burden on the property tax payer will be the following depending on homestead values.

<u>200K</u>	<u>300K</u>	<u>400K</u>	<u>500K</u>
\$932	\$1,398	\$1,864	\$2,330

If you have any questions or would like to learn more about the FY2013 budget before Town Meeting please do not hesitate to contact me at 482-2281x221 or [jcolangelo@hinesburg.org](mailto:jcolangelo@hinesburg.org). I would be happy to sit down with you to show you the budget in more detail.

Please visit [www.hinesburg.org](http://www.hinesburg.org) to review all budget documents including the full line-item budget and the entire capital budget.