



To: The Hinesburg Selectboard, residents and voters
From: Joy Dubin Grossman, Interim Town Administrator
Date: January 24, 2021
Re: Proposed FY22 Municipal Budget

The proposed FY22 municipal budget is \$4,431,331 an increase in expenditures of \$136,769 (3.18%) from the FY21 budget, as approved by voters. The bulk of the proposed increases are due: 1) to the addition of the Town's first ambulance transport service requiring an increase in both staff and supplies. 2) A new police officer, partially funded with \$125,000 from a COPS grant over the next three years. 3) An increase in the Town Administrator's budget to include more competitive salaries, and the capital transfer for stormwater administration of approximately 17%. While the increase in the health insurance premiums was less than 2%, the town's increase was 25% over FY21 due to an increase in personnel.

The FY22 General Fund budget includes \$1,326,900, or 29.9%, for employee salaries/wages, which includes 19 full-time staff, 3 regular part-time and 1 FTE, temporary part-time or seasonal staff, as needed, as well as on-call pay for fire/ems volunteers.

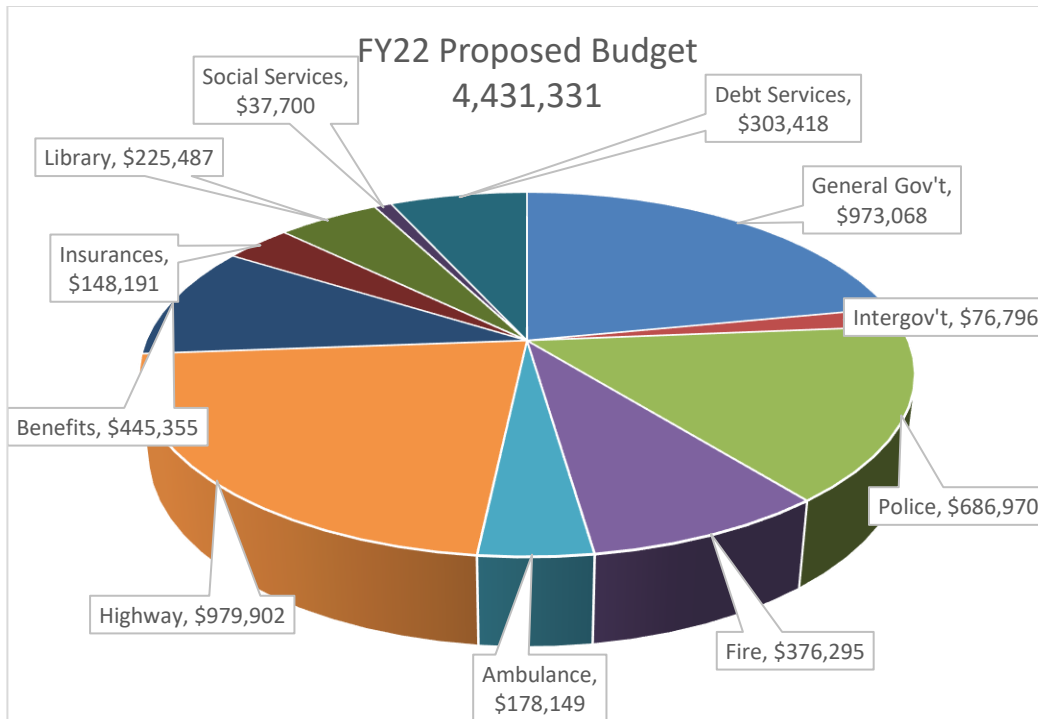
The capital improvement program is the mechanism through which capital items (heavy equipment, facilities, infrastructure projects, etc.) are funded. In FY22, the Selectboard is continuing their commitment to maintain the buildings and infrastructure that we currently have and continuing the transition of saving towards vehicle and equipment replacement as interest rates for now remain low. In FY22, a total of \$558,984, or 12.61% of the overall general fund budget, is proposed for capital projects, vehicle/equipment replacement or planned savings for the future, according to the capital improvement plan.

Increase in Expenditures over FY21:

- Salary/Wages for staff across all departments (\$109,730) – reflects FY22 wage increases for a new full-time employee for the Ambulance Transport Service, Community Police Department, and an increase in Town Administrator salary as well as continuing to provide additional funds for temporary part-time assistance in Highway Department.
- Health Insurance (\$73,215.00) – reflects an estimated cost of coverage of two new employees, based on a family plan
- Ambulance Transport Service (\$83,279) – to cover the cost of labor (one new full-time employee), insurance, and equipment
- Highway Department (\$10,000) – reflects increase in engineering costs for culverts
- Police Department (\$14,365) – to cover the cost of half a year of the Howard Center Community Outreach Program, an increase in dispatch services, added costs for a new officer and equipment repair and replacement

Decrease in Expenditures over FY21:

- Clerk's Office – a shift of 20% in the allocation of staff resources reflected in the Water/Wastewater Budget versus the General Fund
- Debt Service – (\$134,000) balance of Highway Garage Bond funds not utilized in garage construction applied to annual principal payments
- Highway Department – (\$79,000) utilization of reserves to decrease capital transfer
- Recreation Department – a decrease in both adult and children's programming as a result of the pandemic
- Fire Department - (\$58,209) of Fire budget transferred to the Ambulance Transport Service



General Gov't = Selectboard, Town Administrator, Clerk/Treasurer, BCA, Elections, Planning & Zoning, Assessor, Recreation, Buildings & Facilities, Technology, Public Health, Dog Control, 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

Revenue

Projected non-property tax revenue is \$880,315 (which includes a \$100,000 from the Fund Balance as noted below) leaving \$3,555,017 to be raised by property taxes.

Grand List Growth/Loss

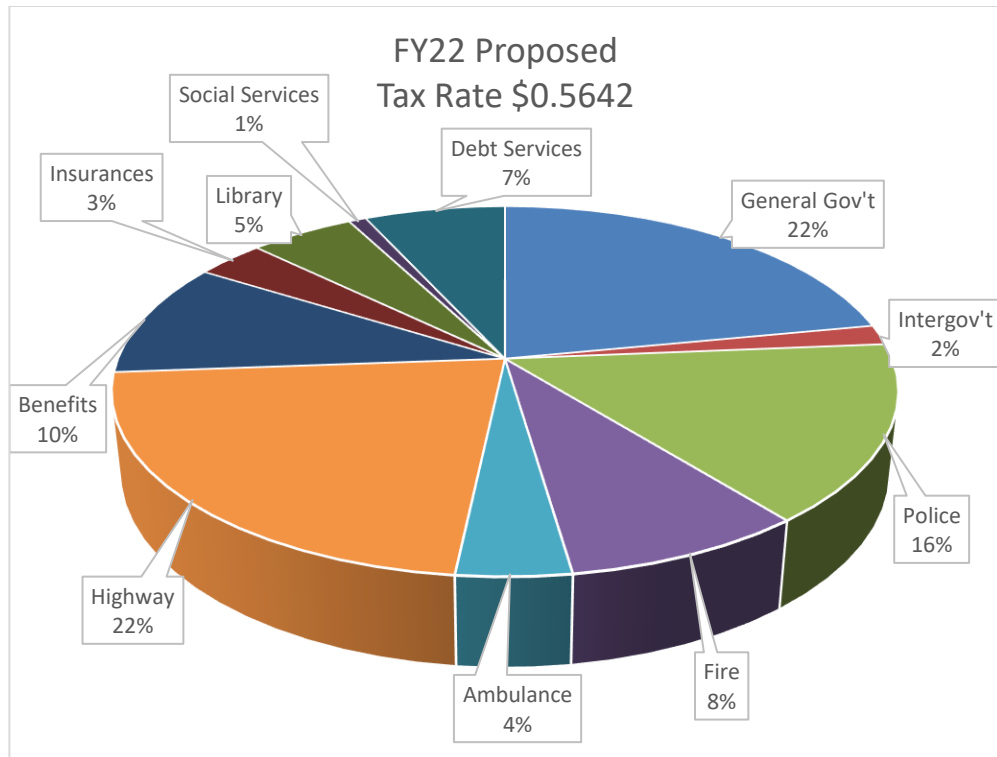
The proposed budget assumes growth at one half of one percent over the FY21 grand list based on current data from the assessor. The grand list value is estimated to be \$6,301,197.

Fund Balance

The FY22 budget proposes to apply \$100,000.00 of unassigned fund balance to decrease the tax rate by approximately one and a half cents which is an increase of two cents over FY21.

Summary

FY22 ***proposed***: \$4,431,331
 FY21 ***approved***: \$4,294,563
 +/- (expenditures): +\$136,769
 Preliminary FY22 Tax Rate: \$0.5642¹
 +/- (from approved FY21 tax rate): \$0.0191



¹ Tax Rate Calculation: (FY22 Budget – non-property tax revenue) ÷ grand list.
 (\$4,431,331 – \$880,315) ÷ \$6,301,197 = \$0.5642

Estimated Municipal Property Tax impact (compared to FY21) – Residential Property Owners

| Assessed Value: | <u>\$200,000</u> | <u>\$300,000</u> | <u>\$400,000</u> |
|-----------------|------------------|------------------|------------------|
| Annual +/- | \$38.16 | \$57.24 | \$76.32 |
| Monthly +/- | \$3.18 | \$4.77 | \$6.36 |

Total Estimated FY22 Municipal Property Tax impact – Residential Property Owners)

| Assessed Value: | <u>\$200,000</u> | <u>\$300,000</u> | <u>\$400,000</u> |
|-----------------|------------------|------------------|------------------|
| Annual +/- | \$1,128.36 | \$1,692.54 | \$2,256.72 |
| Monthly +/- | \$94.03 | \$141.05 | \$188.06 |

FY22 Municipal Impact to the taxpayer by budget based on value of property:

| Budget | 200K | 300K | 400K |
|--------------------|--------------------|--------------------|--------------------|
| General Government | \$ 248.24 | \$ 372.36 | \$ 496.48 |
| Community Police | \$ 176.02 | \$ 264.04 | \$ 352.05 |
| Fire | \$ 95.91 | \$ 143.87 | \$ 191.82 |
| Ambulance | \$ 45.13 | \$ 67.60 | \$ 90.27 |
| Highway | \$ 249.37 | \$ 374.05 | \$ 498.74 |
| Debt Service | \$ 76.73 | \$ 115.09 | \$ 153.46 |
| Intergov't | \$ 19.18 | \$ 28.77 | \$ 38.36 |
| Benefits | \$ 112.84 | \$ 169.25 | \$ 225.67 |
| Insurance | \$ 37.24 | \$ 55.85 | \$ 74.47 |
| Social Services | \$ 10.16 | \$ 15.23 | \$ 20.31 |
| Library | \$ 57.55 | \$ 86.32 | \$ 115.09 |
| Total | \$ 1,128.36 | \$ 1,692.54 | \$ 2,256.72 |

The table above represents the total annual cost to the taxpayer, based on property value, for the above municipal services. For example, a home valued at \$400,000 pays a total of \$498.74 in taxes per year to cover the cost of paving and grading of approximately 55 miles of town roads (21.37 miles paved, 33.17 gravel), road material, culverts, building and equipment needs as well as highway wages.

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