

PROPOSED HEBRON BUDGET FISCAL YEAR 2016-2017



**Board of Finance
Recommended Budget**

**Public Hearing
April 12, 2016**

BUDGET PROCESS

In accordance with Hebron Town Charter Chapter IX, Finance and Taxation - Section 902:

- No later than October 15, the Board of Finance shall confer with the Board of Selectmen and the Board of Education to discuss goals and objectives for the upcoming budget.
- Board of Selectmen and Board of Finance shall review the budget during the month of March and the Board of Selectmen shall make a recommendation to the Board of Finance by March 31st.
- The Board of Finance reviews the budget requests during the month of April. They hold a Public Hearing on their recommended budget no later than the third Tuesday in April. Within a week of the Hearing the Board of Finance shall present a budget for vote at the Budget Referendum.

PROPOSED BUDGET \$36,291,449

Spending decrease of \$90,352 or 0.25 %
less than the current year's budget.

| | <u>Budget</u> | <u>Change</u> |
|-------------------------------|---------------|---------------|
| General Government | \$ 9,224,224 | 3.80 % |
| Hebron Board of Education | \$11,797,454 | -1.61 % |
| Hebron Levy - RHAM BOE Budget | \$13,880,023 | -1.48 % |
| Hebron's Share RHAM Debt | \$ 1,389,748 | -1.87 % |

BUDGET REDUCTIONS

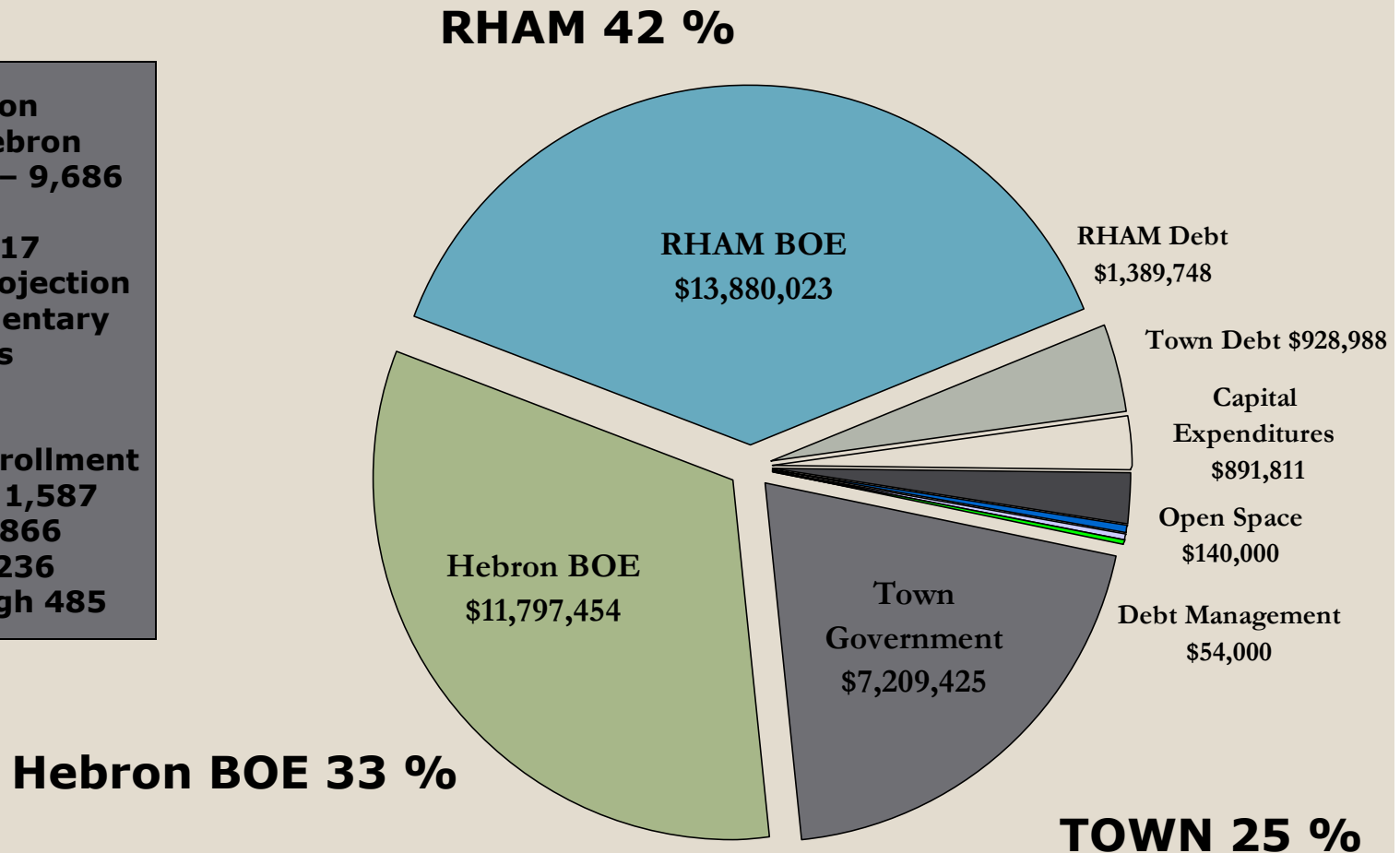
| | March 1, 2016 Town Manager's Proposed Budget | April 5, 2016 Board of Finance Recommended Budget |
|---------------------------|--|---|
| Town | \$ 9,265,665 | \$ 9,224,224 |
| Hebron BOE | \$11,990,454 | \$11,797,454 |
| Hebron's Levy RHAM BOE | <u>\$15,373,307</u> | <u>\$15,269,771</u> |
| Total Budget | \$36,629,425 | \$36,291,449 |

FY 2016-2017 BUDGET OVERVIEW

Population
Town of Hebron
2010 Census – 9,686

2016-2017
Enrollment Projection
Hebron Elementary
Schools
689

10/1/2015 Enrollment
RHAM Total 1,587
Hebron 866
Andover 236
Marlborough 485



GENERAL GOVERNMENT EXPENDITURE HISTORY

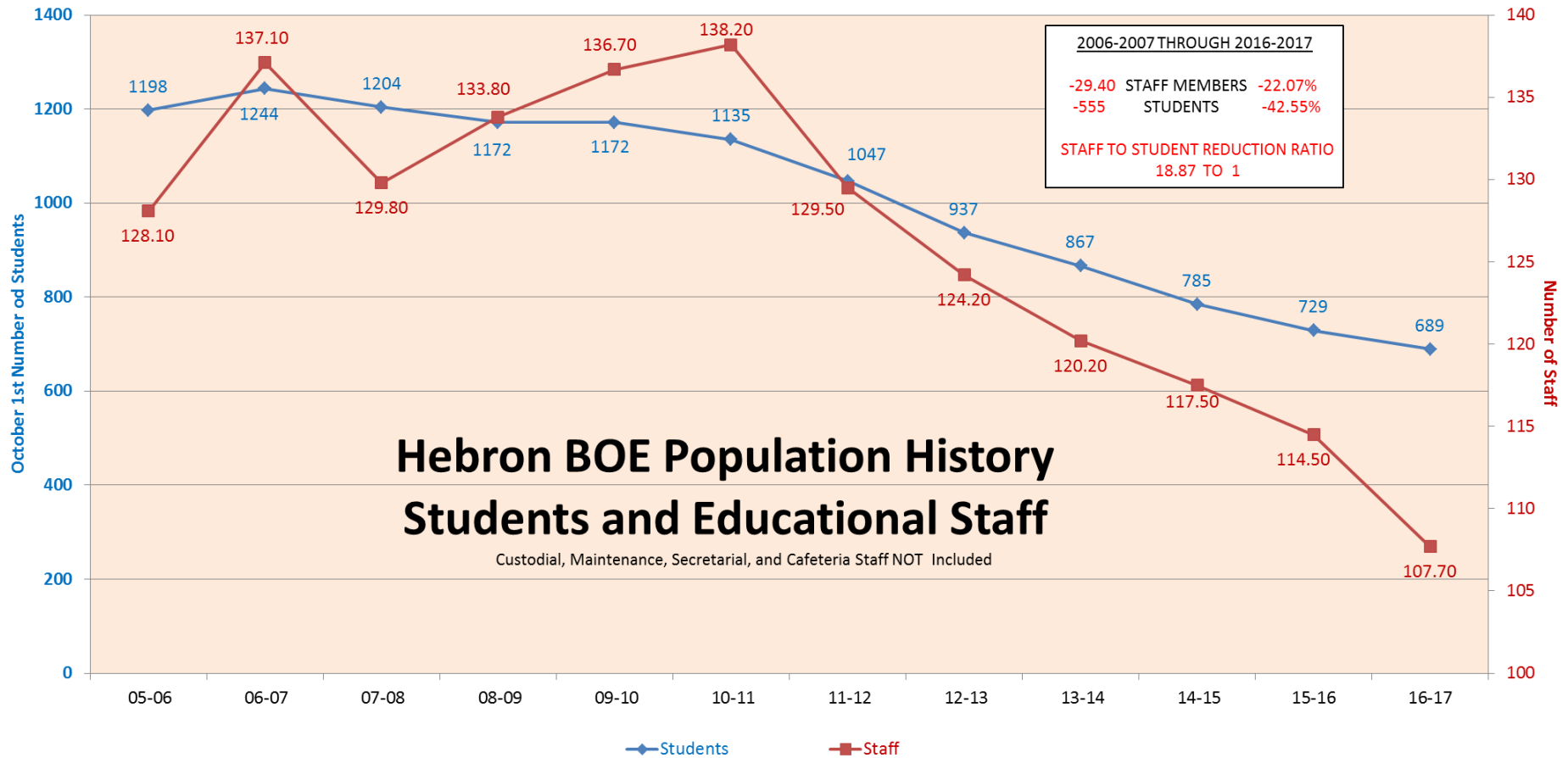
| | ADOPTED FY 14-15 | ADOPTED FY 15-16 | PROPOSED FY 16-17 |
|---------------------------|-----------------------------|-----------------------------|------------------------------|
| Town Government | \$6,841,960 | \$7,145,748 | \$7,209,425 |
| Contr. – CIP | 642,114 | 599,804 | 770,911 |
| Contr. – Capital Projects | 34,000 | 13,397 | 62,100 |
| Contr. – Revaluation | 50,000 | 50,000 | 50,000 |
| Capital Non Recurring | 10,000 | 5,000 | 8,800 |
| Open Space | 125,000 | 117,000 | 140,000 |
| Debt Management | -- | -- | 54,000 |
| Debt Service | <u>963,364</u> | <u>955,974</u> | <u>928,988</u> |
| Total | \$8,666,437 | \$8,886,923 | \$9,224,224 |

HEBRON BOARD OF EDUCATION BUDGET HISTORY

| ADOPTED FY 12-13 | ADOPTED FY 13-14 | ADOPTED FY 14-15 | ADOPTED FY 15-16 | PROPOSED FY 16-17 |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|
| \$11,891,118 | \$11,955,923 | \$11,990,454 | \$11,990,454 | \$11,797,454 |
| .82 % | .54 % | .29 % | .00% | -1.61 % |

**FY 16-17 budget includes addition of \$32,500 for AHM Youth Services
which was shifted from Town Operating Budget to Board of Education Budget**

HEBRON BOARD OF EDUCATION



RHAM BUDGET LEVY

Proposed RHAM Budget \$28,033,359

\$262,582 or .95 % increase

**Based on RHAM budget as adjusted on March 28, 2016
after RHAM's Public Hearing.**

Proposed RHAM Budget Levy to Hebron:

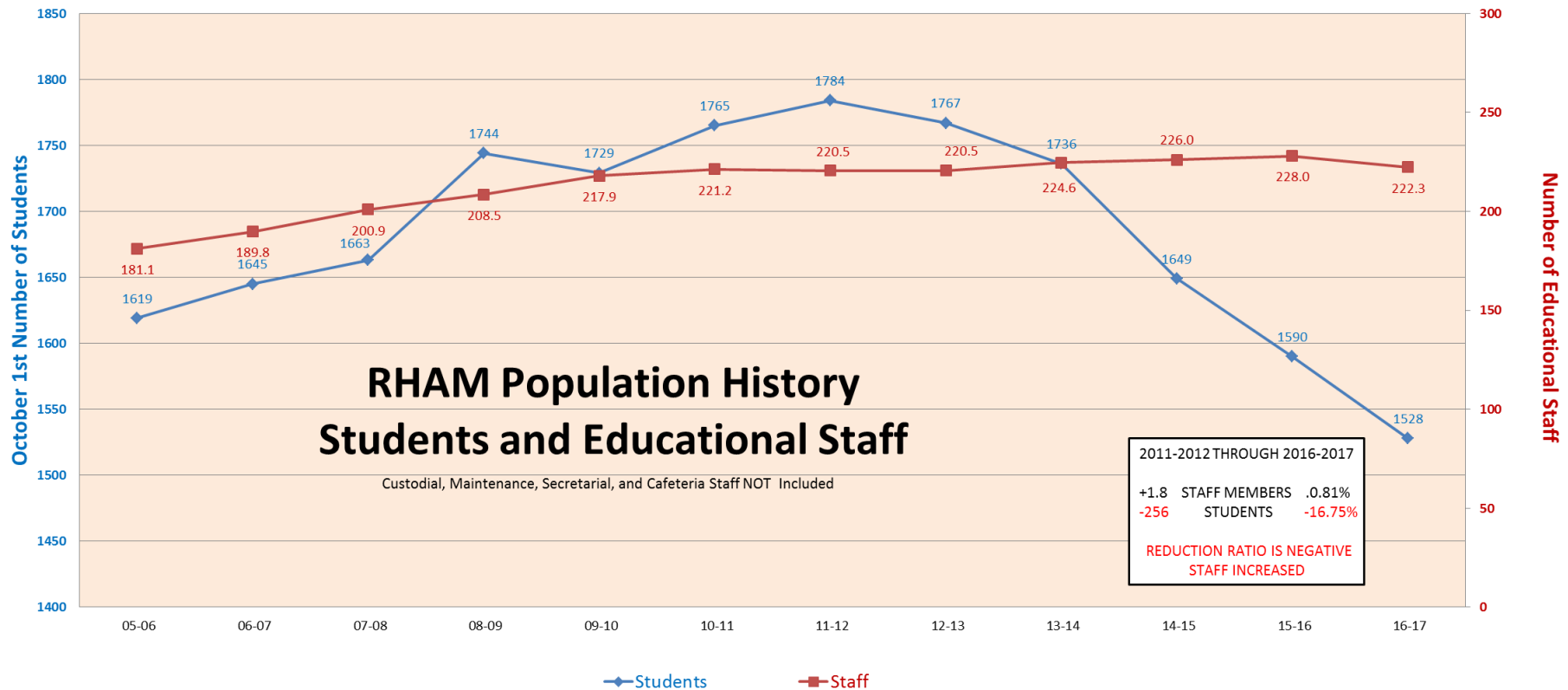
| | | |
|----------------------------|---------------------|-------------------|
| RHAM Operating Levy | \$13,880,023 | -\$208,193 |
| RHAM Debt Levy | \$ 1,389,748 | -\$ 26,460 |

RHAM LEVY

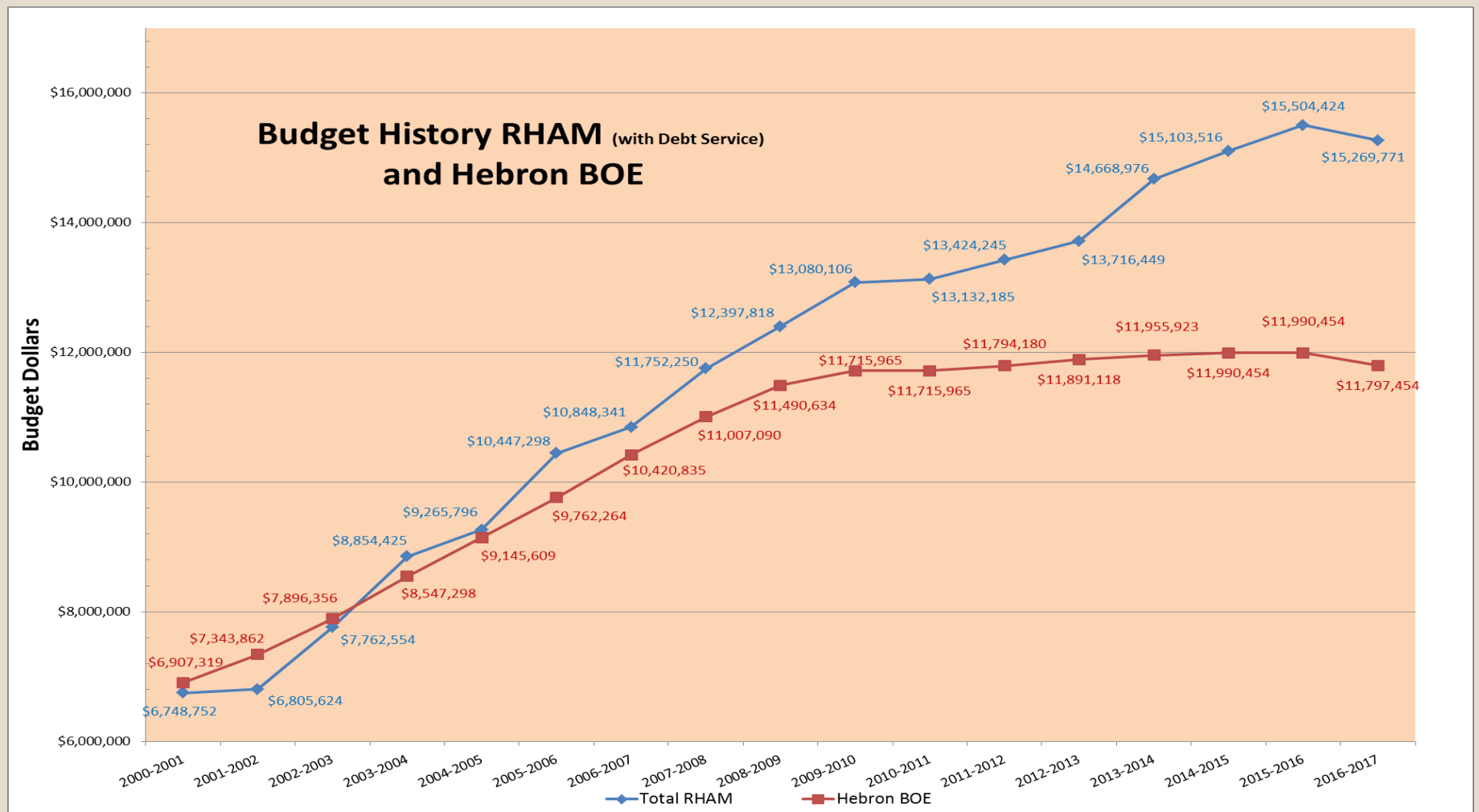
Future Levy Calculation Projections

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------|--------|--------|--------|--------|--------|
| Andover | 14.52% | 14.84% | 15.21% | 15.73% | 15.92% |
| Hebron | 55.83% | 54.47% | 53.67% | 51.54% | 49.64% |
| Marlborough | 29.65% | 30.50% | 30.99% | 32.67% | 34.44% |

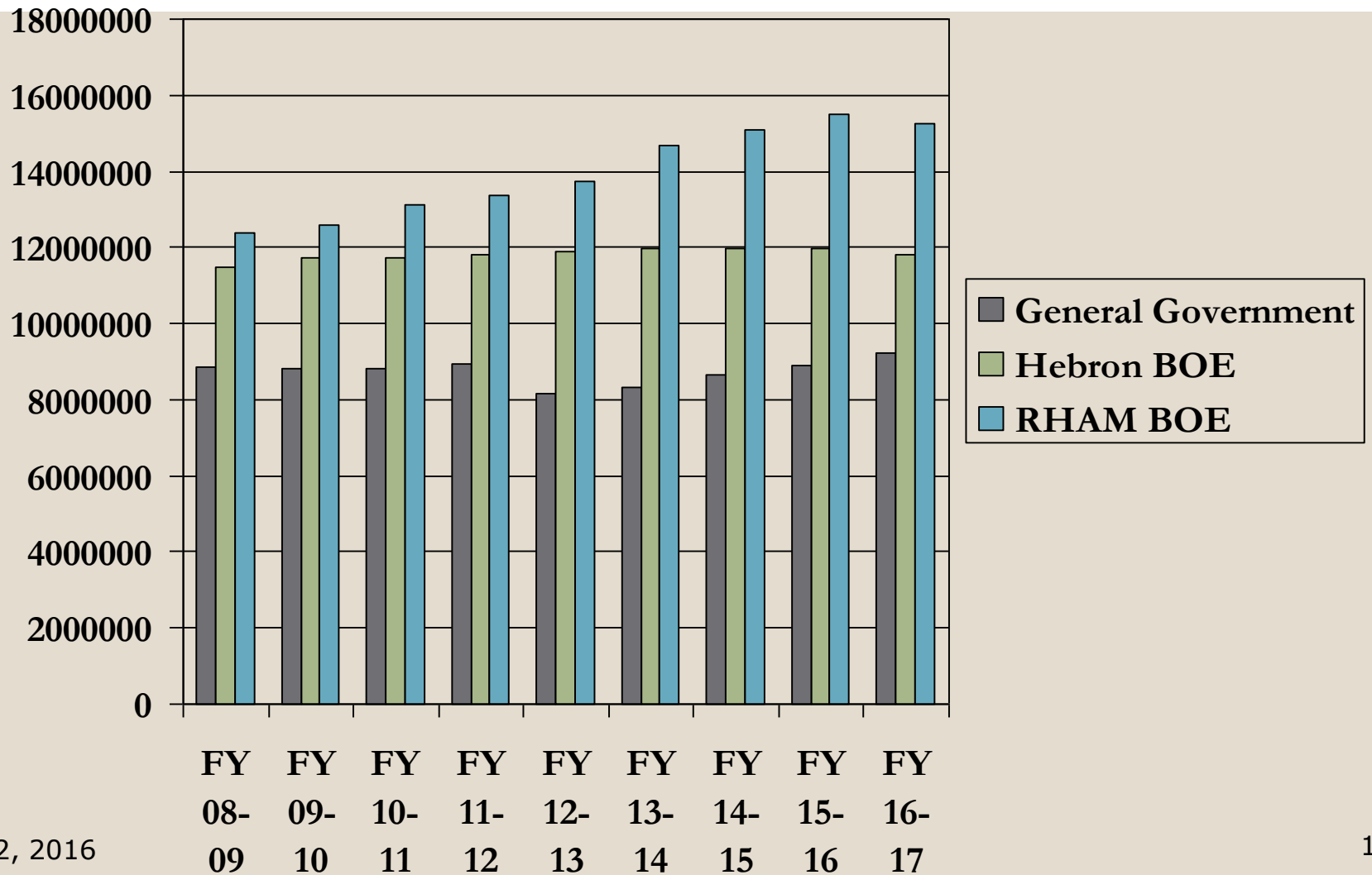
RHAM POPULATION HISTORY STUDENTS AND STAFF



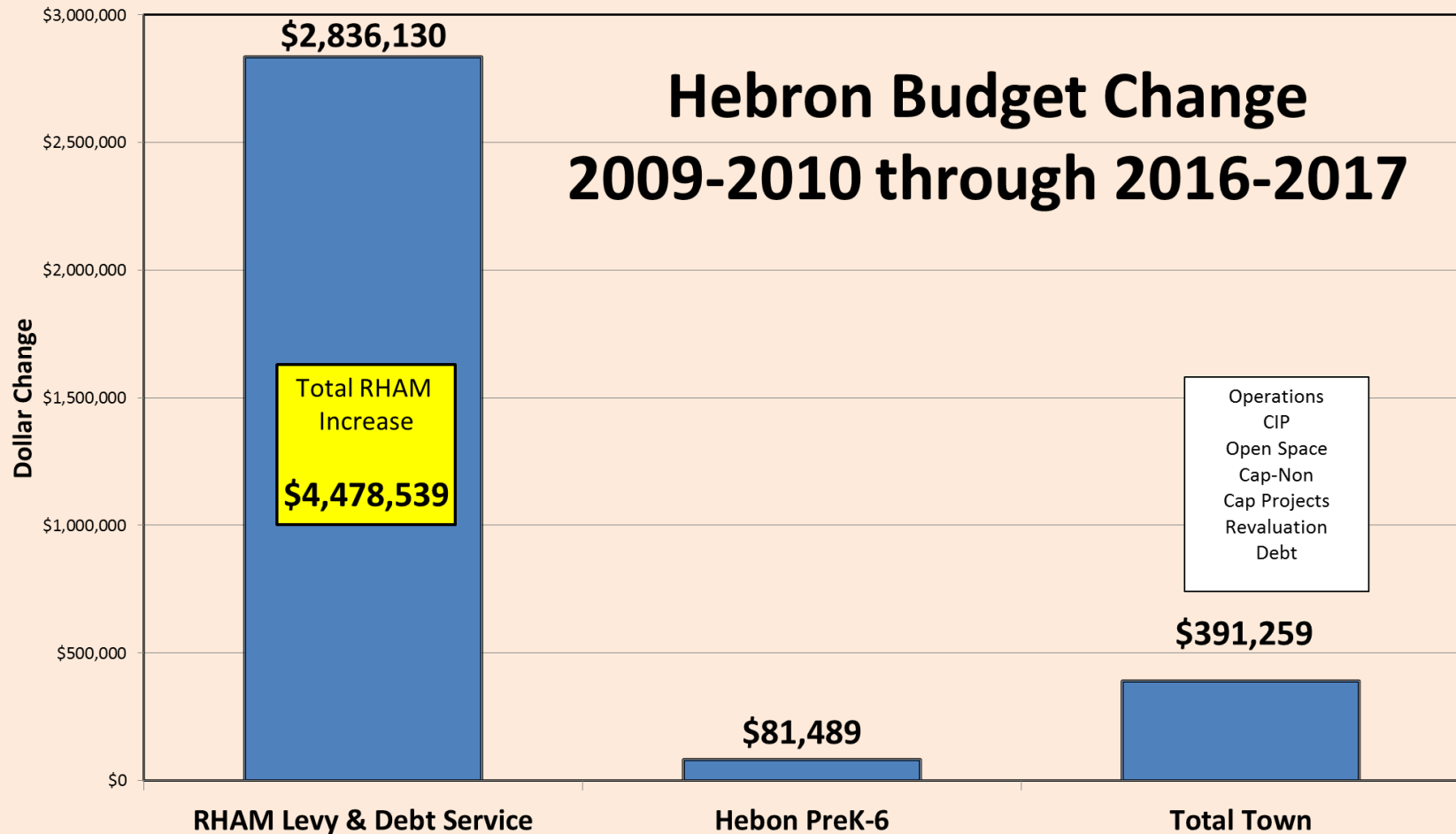
EDUCATION BUDGET HISTORY



EXPENDITURE BUDGET HISTORY



EXPENDITURE BUDGET HISTORY



CAPITAL IMPROVEMENT PLAN RECOMMENDATIONS FY 2016-2017

Public Works Department

| | |
|---|---------|
| Road Resurfacing and Road Improvements | 260,946 |
| Replace 1978 CAT Loader (partial funding) | 80,000 |
| GMC Flat Bed - Replace Truck 22 | 49,000 |
| Roadside Mower (partial funding) | 50,000 |

Fire Department

| | |
|---|---------|
| Replace ET-210 -Final Year Lease Payment | 76,370 |
| Ambulance 510 (partial funding) | 95,000 |
| SCBA Replacement - 42 units (partial funding) | 117,000 |

Parks & Recreation

| | |
|---------|--------|
| Tractor | 47,000 |
|---------|--------|

Miscellaneous Projects

| | |
|--|--------|
| Generator at Douglas Library - Communications Infrastructure | 63,500 |
| Douglas Library HVAC System Upgrade (partial funding) | 20,000 |
| Senior Center Flooring Replacement (funds first phase) | 25,000 |
| Town Office Building Ventilation/Central Air Conditioning | 75,000 |
| Hebron Center Sidewalk Plan (LOTICIP Grant Match) | 41,000 |

TOTAL CIP REQUEST \$999,816

RECOMMENDED CIP REVENUE

FY 2016-2017

| | <u>Approved 2015-2016</u> | <u>Proposed 2016-2017</u> |
|--|-------------------------------|-------------------------------|
| Balance from Previous Appropriations | 46,954 | 33,574 |
| LOCIP Funding | 69,933 | 70,831 |
| Sale of Old ET-210 | 12,000 | 0 |
| Anticipated State Reimbursement - HES Roof Project | 0 | 124,500 |
| CIP Designated Fund Balance | 0 | 0 |
| General Fund Contribution | <u>602,404</u> | <u>770,911</u> |
| Total Revenues | <u>\$ 731,291</u> | <u>\$ 999,816</u> |
| Completed Project Balances | | |
| 11-12 Fire Co # 1 Roof | 381.50 | |
| 13-14 FY Thermal Imaging | 464.49 | |
| 15-16 FY Senior Van Replacement 2016 | 5,003.40 | |
| 14-15 FY ICE Grant - Bobcat Loader | 785.50 | |
| 15-16 FY P & R Mason Dump Truck | 77.00 | |
| 14-15 FY GHS Bathroom | 2,998.15 | |
| 15-16 FY Dump Truck | 20,000.00 | |
| 15-16 FY HES Roof Project | <u>3,864.00</u> | |
| | 33,574.04 | |

CAPITAL EXPENDITURES

\$5,000 - \$25,000

Public Works Department

| | |
|-------------------------------|--------|
| Pavement Management | 23,000 |
| Steam Cleaner/Pressure Washer | 5,600 |

Parks & Recreation Department

| | |
|-----------|--------|
| 61" Mower | 15,500 |
|-----------|--------|

Town Buildings

| | |
|--|--------|
| Building Security - Library and Town Office Building Cameras | 10,000 |
| Town Office Building Complex Exterior Improvements | 8,000 |

| | |
|----------------------------|--------|
| Total Capital Expenditures | 62,100 |
|----------------------------|--------|

PROPOSED EXPENDITURES

| | ADOPTED | PROPOSED | | |
|------------------------------------|----------------------|----------------------|--------------------|---------------|
| | <u>2015-2016</u> | <u>2016-2017</u> | <u>Difference</u> | <u>Change</u> |
| Total Town Budget | | | | |
| Town Government | \$ 7,145,748 | \$ 7,209,425 | \$ 63,677 | 0.89% |
| Contr. to Capital Improvement | 599,804 | 770,911 | 171,107 | 28.53% |
| Contr. to Open Space Acq. | 117,000 | 140,000 | 23,000 | 19.66% |
| Contr. to Cap Non-Recurring | 5,000 | 8,800 | 3,800 | 76.00% |
| Contr. to Capital Projects | 13,397 | 62,100 | 48,703 | 363.54% |
| Contr. to Revaluation | 50,000 | 50,000 | - | 0.00% |
| Contr. To Debt Management | - | 54,000 | 54,000 | |
| Debt Service | 955,974 | 928,988 | (26,986) | -2.82% |
| <i>TOWN GOV'T SUB TOTAL</i> | 8,886,923 | 9,224,224 | 337,301 | 3.80% |
| Hebron Board of Education | 11,990,454 | 11,797,454 | (193,000) | -1.61% |
| RHAM Assess(w/o debt) | 14,088,216 | 13,880,023 | (208,193) | -1.48% |
| RHAM Debt Service | <u>1,416,208</u> | <u>1,389,748</u> | <u>(26,460)</u> | <u>-1.87%</u> |
| Total General Government | \$ 36,381,801 | \$ 36,291,449 | \$ (90,352) | -0.25% |

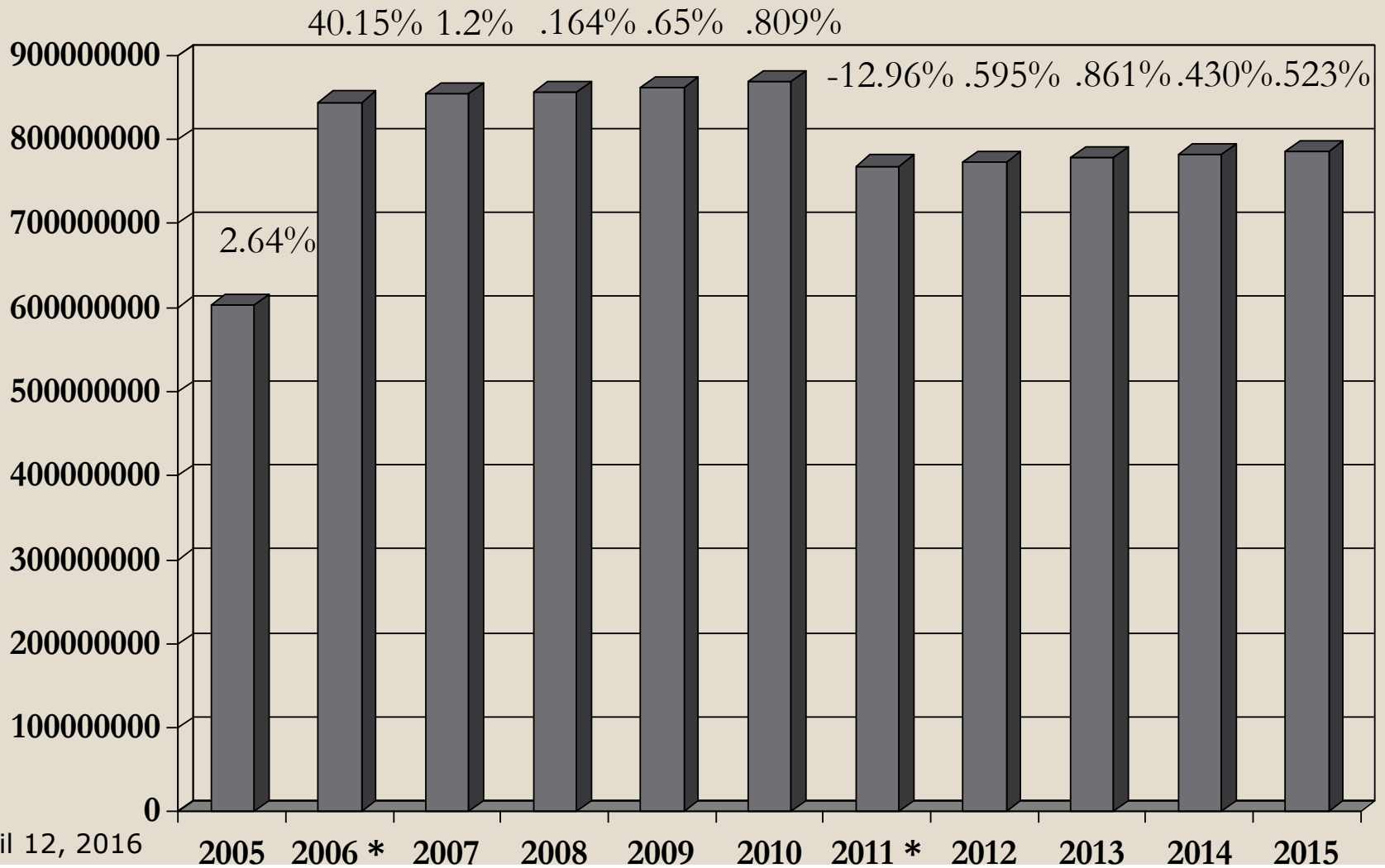
PROPOSED REVENUE

| <u>REVENUE SOURCE</u> | ADOPTED <u>BUDGET</u> <u>2015-2016</u> | % OF <u>BUDGET</u> | PROPOSED <u>2016-2017</u> | <u>CHANGE</u> | % OF <u>BUDGET</u> |
|-------------------------|--|-----------------------|------------------------------|---------------------------|-----------------------|
| GENERAL GOV'T. - STATE | \$ 387,190 | 1.1% | \$ 638,507 | \$ 251,317 | 1.8% |
| EDUCATION-STATE | 7,050,476 | 19.4% | 6,984,316 | (66,160) | 19.2% |
| DEPARTMENTAL | 538,530 | 1.5% | 524,530 | (14,000) | 1.4% |
| OTHER REVENUE | 237,465 | 0.7% | 225,624 | (11,841) | 0.6% |
| DEBT MGMT. FUND CONTR. | - | 0.0% | - | - | 0.0% |
| REVENUE SURPLUS SOURCES | 110,000 | | - | (110,000) | |
| FUND BALANCE | \$ - | | \$ - | - | |
| TOTAL TAX REVENUE | <u>\$ 28,058,140</u> | <u>77.1%</u> | <u>\$ 27,918,472</u> | <u>(139,668)</u> | <u>76.9%</u> |
| TOTAL REVENUES | <u><u>\$ 36,381,801</u></u> | <u><u>100.0%</u></u> | <u><u>\$ 36,291,449</u></u> | <u><u>\$ (90,352)</u></u> | <u><u>100.0%</u></u> |

REVENUE CONSIDERATIONS

- Debt Management Fund Depleted
- Tax Collection Rate
- Uncertain State Revenues
- Impact on Fund Balance
- Increase to Anticipated Collection of Back Taxes

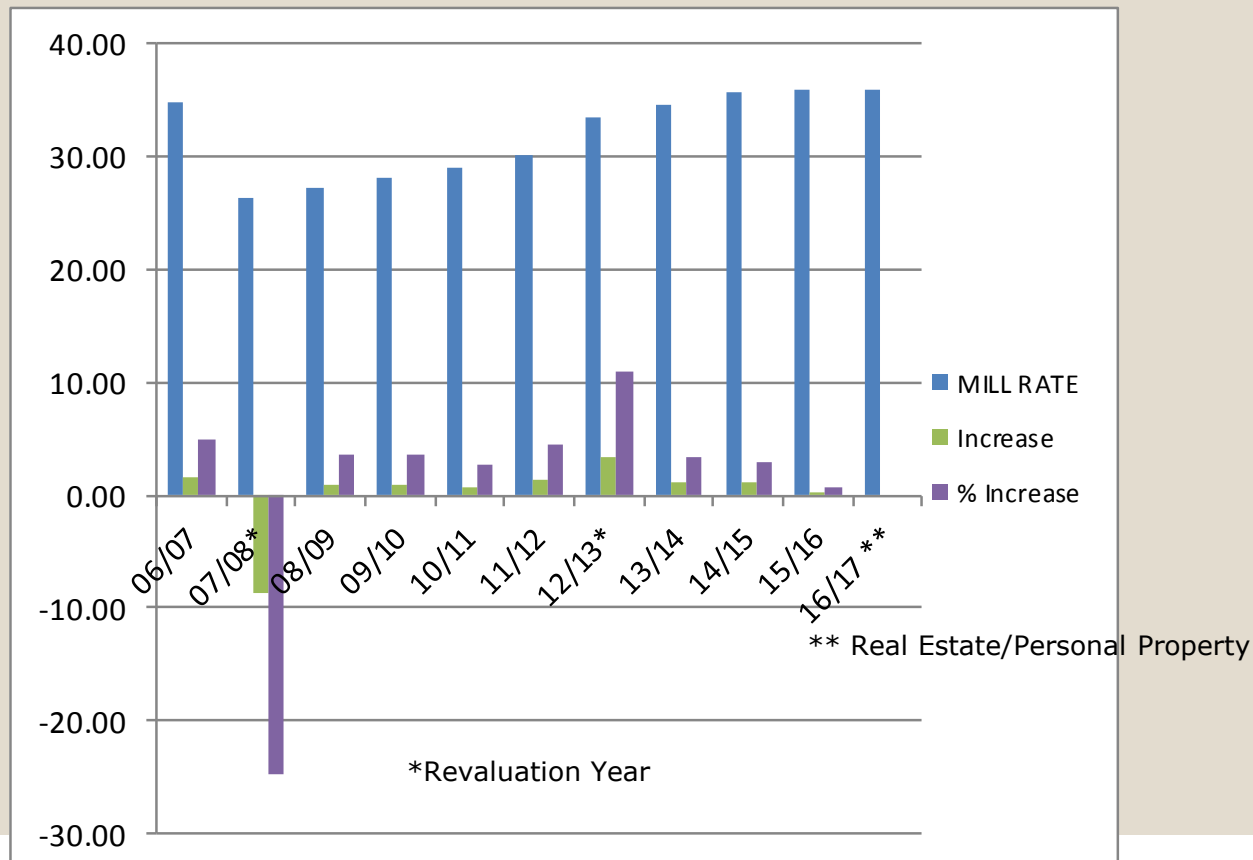
GRAND LIST PROFILE



April 12, 2016

MILL RATE HISTORY

| | 06/07 | 07/08* | 08/09 | 09/10 | 10/11 | 11/12 | 12/13* | 13/14 | 14/15 | 15/16 | PROPOSED 16/17 ** |
|------------------|-------|--------|-------|-------|-------|-------|--------|-------|-------|-------|----------------------|
| MILL RATE | 34.89 | 26.27 | 27.20 | 28.17 | 28.94 | 30.26 | 33.55 | 34.70 | 35.75 | 36.00 | 36.00 |
| Increase | 1.65 | -8.62 | 0.93 | 0.97 | 0.77 | 1.32 | 3.29 | 1.15 | 1.05 | 0.25 | 0.00 |
| % Increase | 4.96 | -24.70 | 3.53 | 3.58 | 2.72 | 4.56 | 10.87 | 3.42 | 3.02 | 0.70 | 0.00 |



HOW TO CALCULATE THE REAL ESTATE MILL RATE

Adjusted Grand List ÷ 1,000 = Mill Value

$$712,192,680 \div 1,000 = 712,193$$

Tax Revenue ÷ Mill Value = Mill Rate

Mill Value at 98.50 % collection rate = 701,510

$$25,264,096 \div 701,510 = 36.00$$

HOW TO CALCULATE REAL ESTATE TAX AMOUNT

Assessed Value x Mill Rate = Tax

231,700 x .036 = \$8,341

PROPOSED TAX CALCULATION

PERSONAL PROPERTY/REAL ESTATE

98.50 % COLLECTION RATE – 36.00 MILL RATE

| Market Value | Assessed Value* | 15-16 Taxes | 16-17 Taxes | Proposed Change |
|---------------------|------------------------|--------------------|--------------------|------------------------|
| \$242,058 | \$169,440 | \$ 6,100 | \$ 6,100 | \$ 0 |
| \$331,000 | \$231,700 | \$ 8,341 | \$ 8,341 | \$ 0 |
| \$509,500 | \$356,650 | \$12,839 | \$12,839 | \$ 0 |

***Based on October 2011 Revaluation**

PROPOSED MILL RATE CALCULATION

MOTOR VEHICLE

MOTOR VEHICLE TAXATION

- Public Act 15-244 establishes new requirements for taxing motor vehicle that each municipality must follow, commencing with the October 1, 2015 assessment year.
- Section 206 of Public Act 15-244 prohibits municipalities from using a mill rate greater than 32 mills to tax motor vehicles for the 2015 assessment year.
- OPM must distribute motor vehicle property tax grants to municipalities, to mitigate their revenue loss due to the cap provisions of Public Act 15-244. The Fiscal Year 2016-2017 grant is equal to the difference between the amount of property taxes a municipality levied on motor vehicle for the 2013 assessment year and the amount of the levy for that year at 32 mills.

PROPOSED MILL RATE CALCULATION

REAL ESTATE & PERSONAL PROPERTY

| | TOTAL GL | PP/RE | MV |
|---|-------------------|-------------------|-----------------|
| Grand List - October 1, 2015 | \$ 786,095,920 | \$712,192,680 | \$73,903,240 |
| Less Potential BAA adjustments | \$ (2,100) | | (\$2,100) |
| Adjusted Grand List - October 1, 2015 | \$ 786,093,820 | \$712,192,680 | \$73,901,140 |
| Mill Value | \$ 786,094 | \$712,193 | \$73,901 |
| <u>Mill Value (based upon 98.50% collection rate)</u> | <u>\$ 774,302</u> | <u>\$ 701,510</u> | <u>\$72,793</u> |
| Mill Rate (per proposed budget) | 35.64 | 36.000 | 32.00 |

PROPOSED TAX CALCULATION

MOTOR VEHICLE COMPARISON

32.00 MILL RATE

Market
Value

Assessed
Value*

Taxes

36.00 (2015 taxes)

| | | | |
|----------------------------|-----------|-----------|---------------|
| Real Estate | \$331,000 | \$231,700 | \$ 8,341 |
| Motor Vehicle (4 vehicles) | | \$ 24,570 | <u>\$ 885</u> |
| | | | \$ 9,226 |

35.64 (2016 taxes - mill rate without MV adjustment)

| | | | |
|----------------------------|-----------|-----------|---------------|
| Real Estate | \$331,000 | \$231,700 | \$ 8,258 |
| Motor Vehicle (4 vehicles) | | \$ 24,570 | <u>\$ 876</u> |
| | | | \$ 9,134 |

36.00/32.00 (2016 taxes - mill rate with MV adjustment)

| | | | |
|----------------------------|-----------|-----------|---------------|
| Real Estate | \$331,000 | \$231,700 | \$ 8,341 |
| Motor Vehicle (4 vehicles) | | \$ 24,570 | <u>\$ 786</u> |
| | | | \$ 9,127 |

*Based on October 2011 Revaluation

BUDGET PROCESS

**Pursuant to Hebron Town Charter Section 903
Referendum Vote on the Town Budget and the
Capital Improvement Budget will be on:**

**Tuesday, May 3, 2016
6:00 a.m. – 8:00 p.m.
Hebron Elementary School**

**The Board of Finance will set the rate by
June 15th**

MANDATORY ADVISORY QUESTIONS

A Charter provision requires two Advisory Questions on the Budget Referendum Ballot:

Is the Town Budget
(Excluding Hebron and RHAM Board of Education Budgets)
Too High or Too Low ?

Is the Hebron Board of Education Budget
Too High or Too Low ?

ADVISORY QUESTION AND EXIT POLL

Additional Advisory Question:

**Is the RHAM Board of Education Budget
Too High or Too Low ?**

The Selectmen will also be conducting an Exit Poll outside of the polling place on May 3 to gather voter comments and sentiment on the budget. Please take a moment to share your thoughts. The Exit Poll is anonymous.

COMMENTS / QUESTIONS

- Please step to a microphone and state your name and address
- Please keep your comments to three minutes or less to allow all to participate
- Comments from Hebron taxpayers and voting residents
- Please do not speak out of turn or comment from the floor
- Be respectful of other opinions
- No reading correspondence from others not present
- Questions may be addressed by liaisons to respective boards
- Please hold applause to the end of comments

THANK YOU FOR YOUR COMMENTS

INFORMATION AND COMMENTS

The Selectmen have established an email address for budget comments:

hebronbudget@hebronct.com

**Comments will be forwarded to the
Boards of Selectmen, Finance and Education**

**Budget Information is available in the Town Clerk's Office,
Douglas Library and at www.hebronct.com**

IT IS IMPORTANT TO COME OUT AND VOTE

**Tuesday, May 3, 2016
6:00 a.m. – 8:00 p.m.
Hebron Elementary School**