

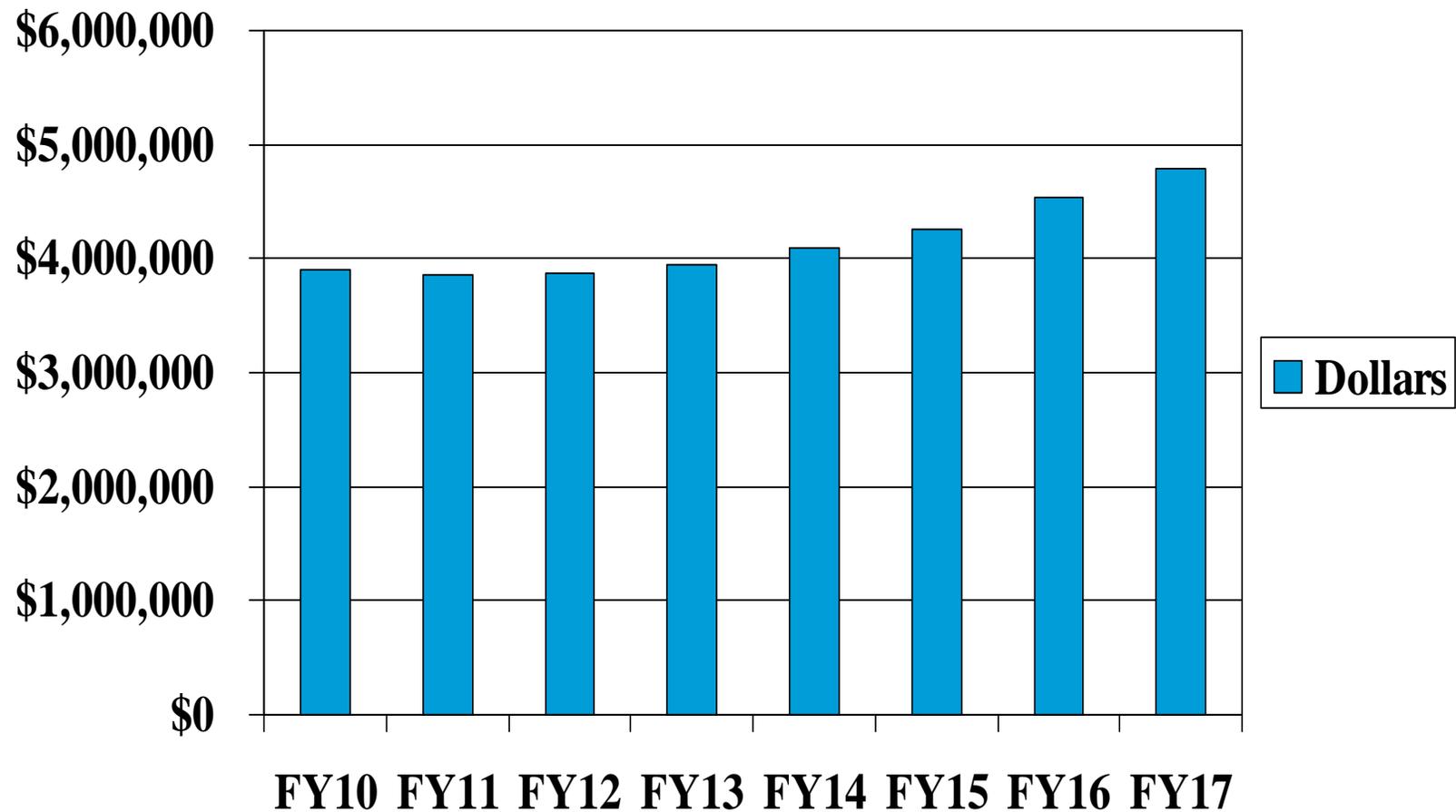


April 25, 2016

# **A Public Information Presentation on the FY2017 Budget**



# Ashfield Budgets





# Historic Trends

(for Major Appropriation Categories)

	FY 2010	FY 2017	% Incr.	CAGR
<b>TOTAL</b>	\$3,900,181	\$4,451,088	14.1%	1.91%
MTRS O/C	\$1,977,654	\$2,231,270	12.8%	1.7%
Voc Ed	\$300,000	\$461,401	53.8%	6.3%
Genl Govt	\$218,116	\$371,551	70.3%	7.9%
Publ Safety	\$182,099	\$167,055	-8.3%	-1.2%
San Svcs	\$92,081	\$149,413	62.3%	7.2%
Highway	\$444,571	\$501,050	12.7%	1.7%
Ee Benefits	\$185,232	\$167,975	-9.3%	-1.4%
Sewer Exp	\$138,762	\$148,504	7.0%	0.9%
Debt Srvc	\$109,092	\$135,880	24.6%	3.19%

# Key Account Comparisons



	FY 2016	FY 2017	Incr (\$)	Incr (%)
Total Budg	\$4,556,965	\$4,783,768	\$226,803	5.0%
MTRS O/C	\$2,095,247	\$2,231,270	\$136,023	6.5%
Prp/Liab Ins	\$41,815	\$54,906	\$13,091	31.3%
Info Tech	\$12,170	\$17,200	\$5,030	41.3%
Ambulance	\$50,363	\$66,233	\$15,870	31.5%
Hill Res Mgt	\$5,824	\$8,328	\$2,504	43.0%
Tfr Sta Imp	\$19,500	\$50,000	\$30,500	156.4%
Health Ins	\$50,590	\$57,159	\$6,569	13.0%
Work Comp	\$10,000	\$11,000	\$1,000	10.0%
B-Band A/C	\$0	\$60,000	\$60,000	---
Pipeline A/C	\$0	\$15,000	\$15,000	---
<b>Subtotal</b>			<b>\$272,626</b>	

# Budget Gap



- \$4,671,876 = Max. Allowable Budget (Levy Limit + 2.5% + Growth + Other Revenues available)
- \$4,783,768 = Budget proposal for FY2017
- (\$111,892) = Budget Gap
- Gap (and future needs) require a \$120,000 Prop 2-1/2 override to achieve a "financial re-set"
- Future needs:
  - Mandated transfer station improvements
  - Broadband make ready and buildout
  - Library Renovations
  - Fire engine replacement
  - Renovate/re-locate town offices
  - Salary increases



# Proposition 2 1/2 Override

What is a Proposition 2 1/2 Override?

- a Proposition 2 1/2 override permanently adds to the town's levy limit; and
- allows Town's to raise funds when necessary to keep up with the financial needs of a town.

# Impact on Taxpayers?



## CURRENTLY:

- Ashfield's Total Assessed Valuation = \$224,035,671
- Avg. Property Value = \$237,407
- Current Tax Rate = \$16.44/\$1,000 valuation
- Avg. Tax Bill = \$3,903 (I.e.,  $\$16.44 \times 237,407/1,000$ )

## PROP 2-1/2 OVERRIDE OF \$120,000:

- $(\$120,000/\$224,035,671) \times 1,000 = \$0.536$  additional tax rate
- $\$0.536 \times \$237,407/\$1,000 = \$127$  additional tax/year
- $(\$3,903 + \$127)/\$3,903 = \$4,030/\$3,903 = 3.3\%$  increase
  - [Alternatively,  $(\$16.44 + \$0.54) \times (\$237,407/\$1,000) = \$4,031$ ]



# Debt Exclusion

What is a debt exclusion compared to a Proposition 2 1/2 Override?

- Debt exclusion is a temporary increase and does not add to the base on which future levy limits are set
- Debt exclusion authorizes a one-time for borrowing funds up to an approved amount and will not continue to be a part of the town's budget once debt is paid.



# Why a Debt Exclusion?

- Purchase of a new backhoe for \$130,000.
- After delaying 3 years, need to replace to avoid service disruptions
  - a) \$70,000 down payment from a combination of appropriation of \$40,000 and \$30,000 from Free Cash.
  - b) \$60,000 in debt exclusion to be paid off at the rate of \$30,000 per year for each of FY2018 and FY2019.



# Questions?

- If you have any questions, now is the time.