

FY12 BUDGET DISCUSSION

NOVEMBER 6, 2010

Key Revenue Issues

- Property Tax Change per 2^{1/2}
- State Aid Assumption
- Estimated Receipts
- Free Cash Usage
- PILOTS
 - Light Department
 - HRA
 - Sewer

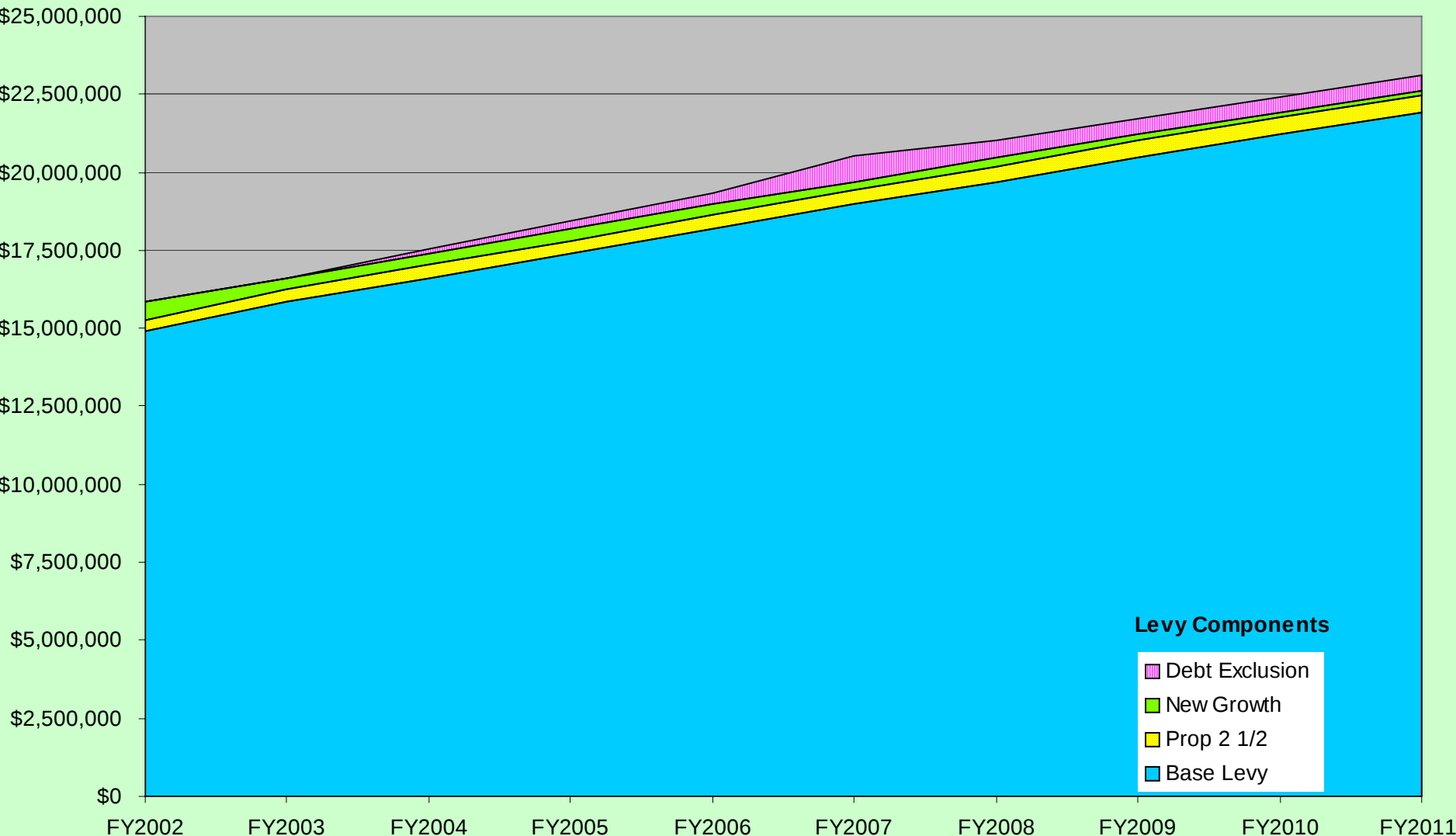
Property Taxes

- Does the Board want to increase property taxes by the the amount allowed under Proposition 2^{1/2}?
- Does the Board want to assume any new growth in the property tax calculation?

TAX LEVY HISTORY

	Base Levy	Prop 2 1/2 Statutory Increase	New Growth	Debt Exclusion High School	Total Levy
FY2002	14,890,661	372,267	569,904	0	15,832,832
FY2003	15,832,832	395,821	385,152	0	16,613,805
FY2004	16,613,805	415,345	350,999	156,250	17,536,399
FY2005	17,380,149	434,504	353,936	253,500	18,422,089
FY2006	18,168,589	454,215	357,570	335,924	19,316,298
FY2007	18,980,374	474,509	226,614	835,804	20,517,301
FY2008	19,681,497	492,037	317,734	546,679	21,037,947
FY2009	20,491,268	512,282	241,341	489,127	21,734,018
FY2010	21,244,891	531,122	158,531	460,645	22,395,189
FY2011*	21,934,544	548,364	150,000	461,039	23,093,947

Town of Hull
Tax Levy
Fiscal Years 2002 through 2011



State Aid

What do we assume for State Aid?

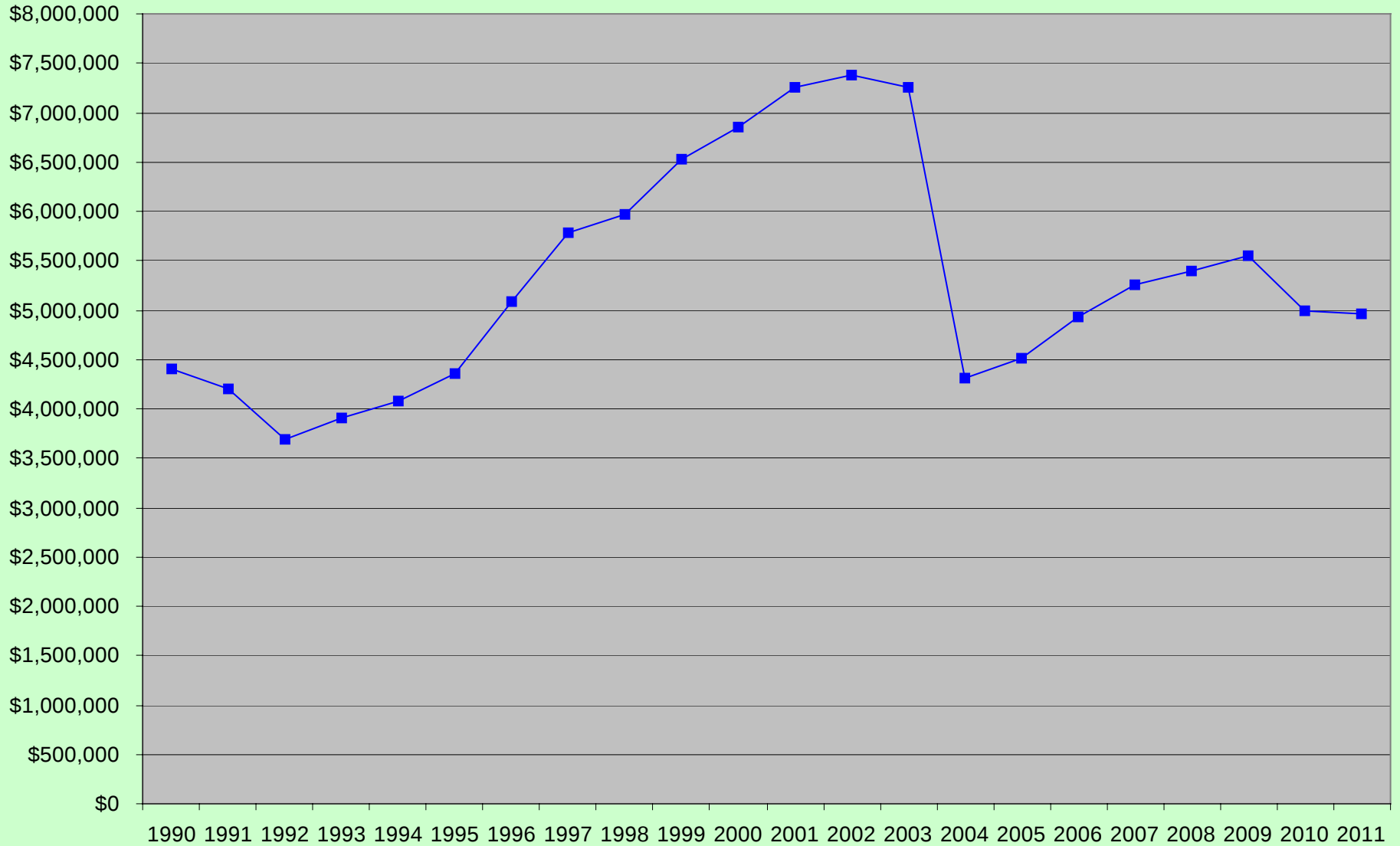
- No Reliable indication until January when Governor files Budget
- Assume level for preparation purposes

State Aid History

Fiscal Year	Receipts	Assessments	Net	Change	Percent Change
1990	4,687,750	280,430	4,407,320		
1991	4,494,250	292,339	4,201,911	(205,409)	-4.7%
1992	3,953,342	267,774	3,685,568	(516,343)	-12.3%
1993	4,179,867	272,129	3,907,738	222,170	6.0%
1994	4,399,503	315,223	4,084,280	176,542	4.5%
1995	4,675,252	311,016	4,364,236	279,956	6.9%
1996	5,395,034	310,376	5,084,658	720,422	16.5%
1997	6,102,335	312,336	5,789,999	705,341	13.9%
1998	6,279,468	310,229	5,969,239	179,240	3.1%
1999	6,848,745	321,985	6,526,760	557,521	9.3%
2000	7,156,841	307,488	6,849,353	322,593	4.9%
2001	7,572,673	315,975	7,256,698	407,345	5.9%
2002	7,695,584	311,839	7,383,745	127,047	1.8%
2003	7,551,166	300,376	7,250,790	(132,955)	-1.8%
2004	6,157,404	1,845,103	4,312,301	(2,938,489)	-40.5%
2005	6,314,961	1,799,316	4,515,645	203,344	4.7%
2006	6,454,703	1,529,748	4,924,955	409,310	9.1%
2007	6,727,396	1,468,618	5,258,778	333,823	6.8%
2008	6,798,243	1,400,251	5,397,992	139,214	2.6%
2009	6,811,245	1,253,532	5,557,713	159,721	3.0%
2010	5,980,963	982,787	4,998,176	(559,537)	-10.1%
2011	5,716,743	761,118	4,955,625	(42,551)	-0.9%

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**Town of Hull
State Aid History
Fiscal Years 1990 through 2011**

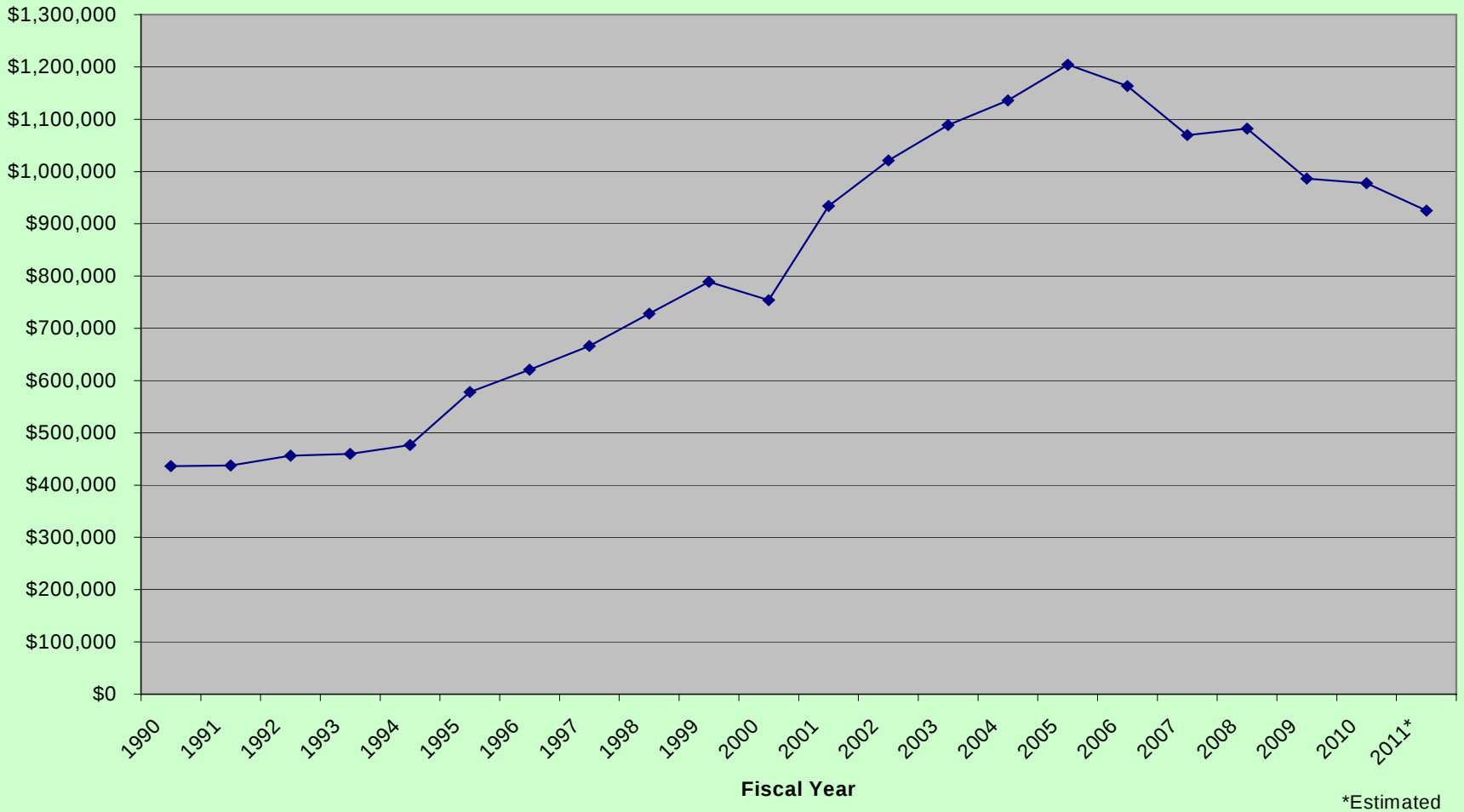


Estimated Receipts

- Assume level for preparation purposes

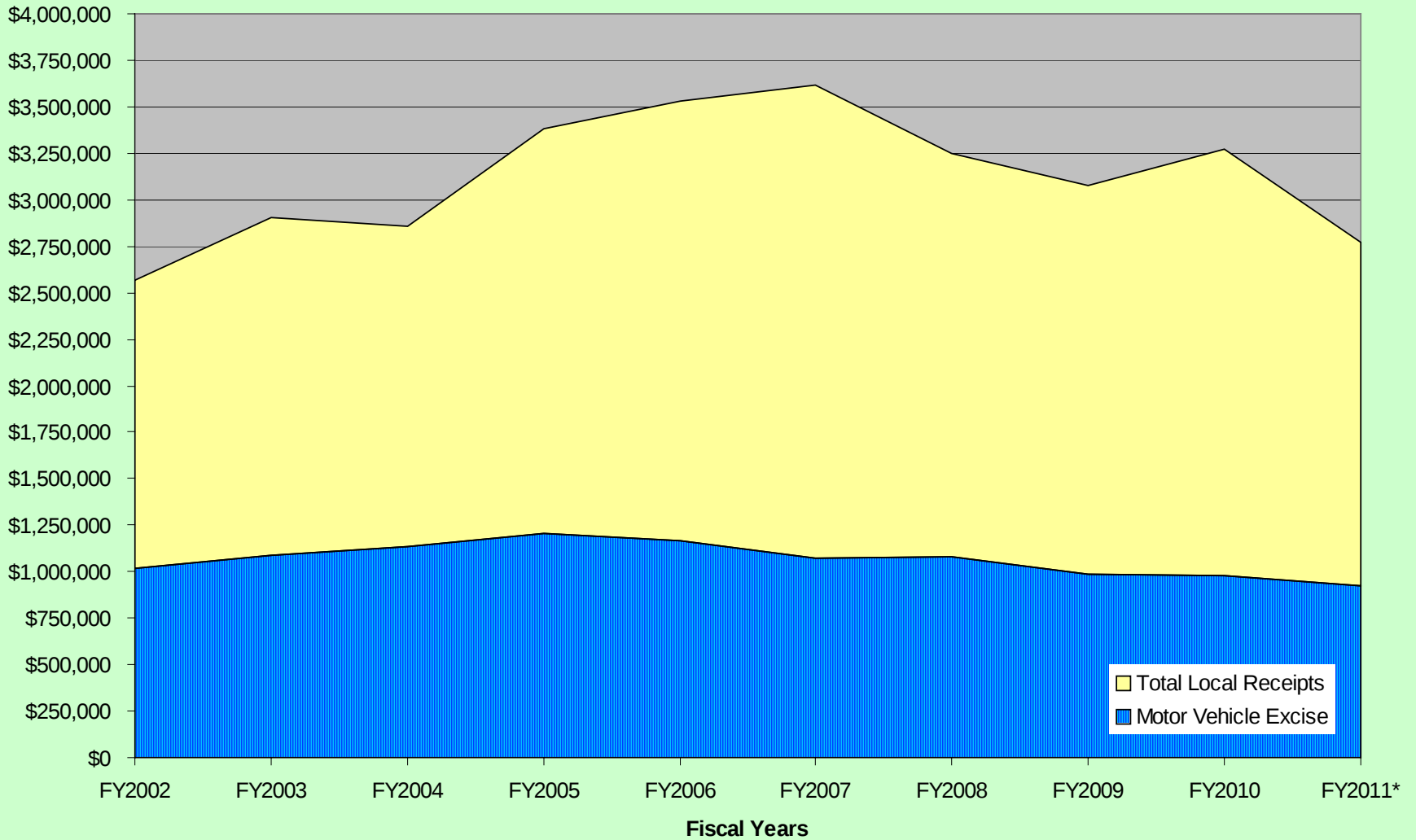
	FY05 Actual	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Estimated
Motor vehicle excise	1,204,421	1,163,315	1,069,512	1,082,055	986,504	977,426	925,000
Other excise	0	0	0	0	0	0	0
Penalties& interest on taxes & excises	130,266	122,313	130,784	173,496	207,771	383,502	225,000
Payments in lieu of taxes	108,800	115,324	164,000	164,000	165,008	165,008	164,000
Charges for Services - water	0	0	0	0	0	0	0
Charges for Services - sewer	0	0	0	0	0	0	0
Charges for Services - hospital	0	0	0	0	0	0	0
Charges for Services - trash disposal	0	0	0	0	0	0	0
Other charges for services	13,196	10,529	20,497	25,696	11,252	23,810	20,000
Fees	186,162	371,841	397,895	399,564	452,775	448,596	425,000
Rentals	80,359	42,756	16,529	56,878	26,855	24,805	25,000
Departmental revenue - Schools	0	0	0	0	0	0	0
Departmental revenue - Libraries	674	1,121	2,062	1,006	1,052	1,033	500
Departmental revenue - Cemeteries	19,117	23,376	13,307	22,647	17,144	17,490	17,500
Departmental revenue - Recreation	0	0	0	0	0	0	0
Other departmental revenue	413,522	353,489	383,107	346,924	445,740	421,109	445,000
Licenses and permits	183,026	251,250	360,768	211,498	174,307	218,162	170,000
Special assessments	0	0	0	0	0	0	0
Fines and forfeits	119,317	98,676	135,563	146,982	114,619	96,299	102,250
Investment income	626,981	445,484	292,607	241,766	138,959	127,365	110,000
Miscellaneous recurring	292,041	309,620	421,413	360,118	270,510	315,538	140,000
Miscellaneous non-recurring	0	223,103	208,960	13,075	62,045	48,189	0
Total	3,377,884	3,532,196	3,617,003	3,245,704	3,074,541	3,268,332	2,769,250

**Town of Hull
Motor Vehicle Excise
Fiscal Years 1990 through 2011**

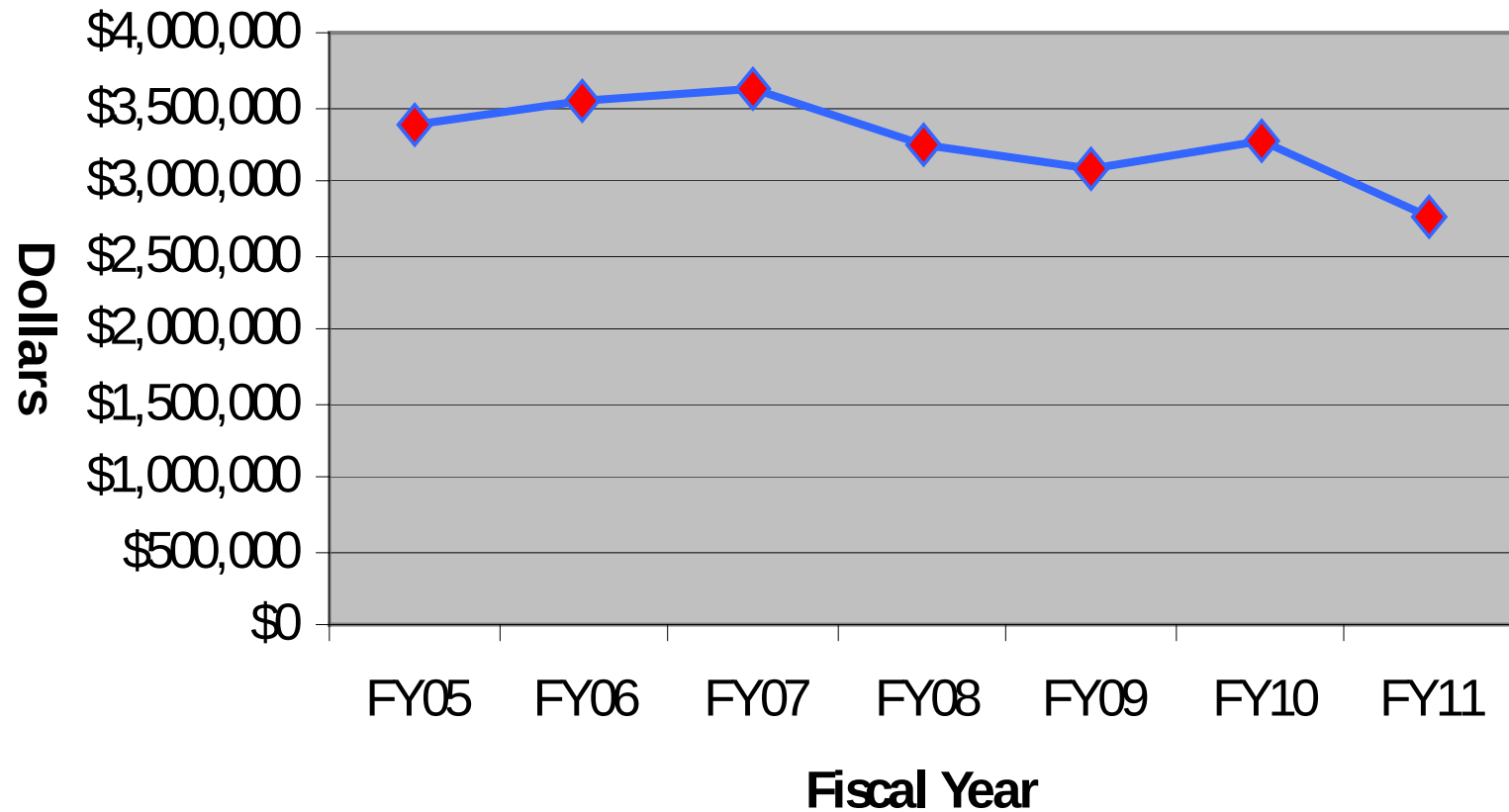


*Estimated

**Town of Hull
Estimated Receipts
Fiscal Years 2002 through 2011**



Estimated Receipt History



Other Options

➤ **Meals and Room Tax Decision**

- ✓ Meals Tax increase from 6.25% to 7%
- ✓ Local Option-Adopted by Town Meeting
- ✓ DOR estimate for Meals Tax \$90,000

➤ **Room Tax currently 4%**

- ✓ Would allow increase up to 6%
- ✓ Estimated value \$40,000- \$60,000
- ✓ Local Option-Adopted by Town Meeting

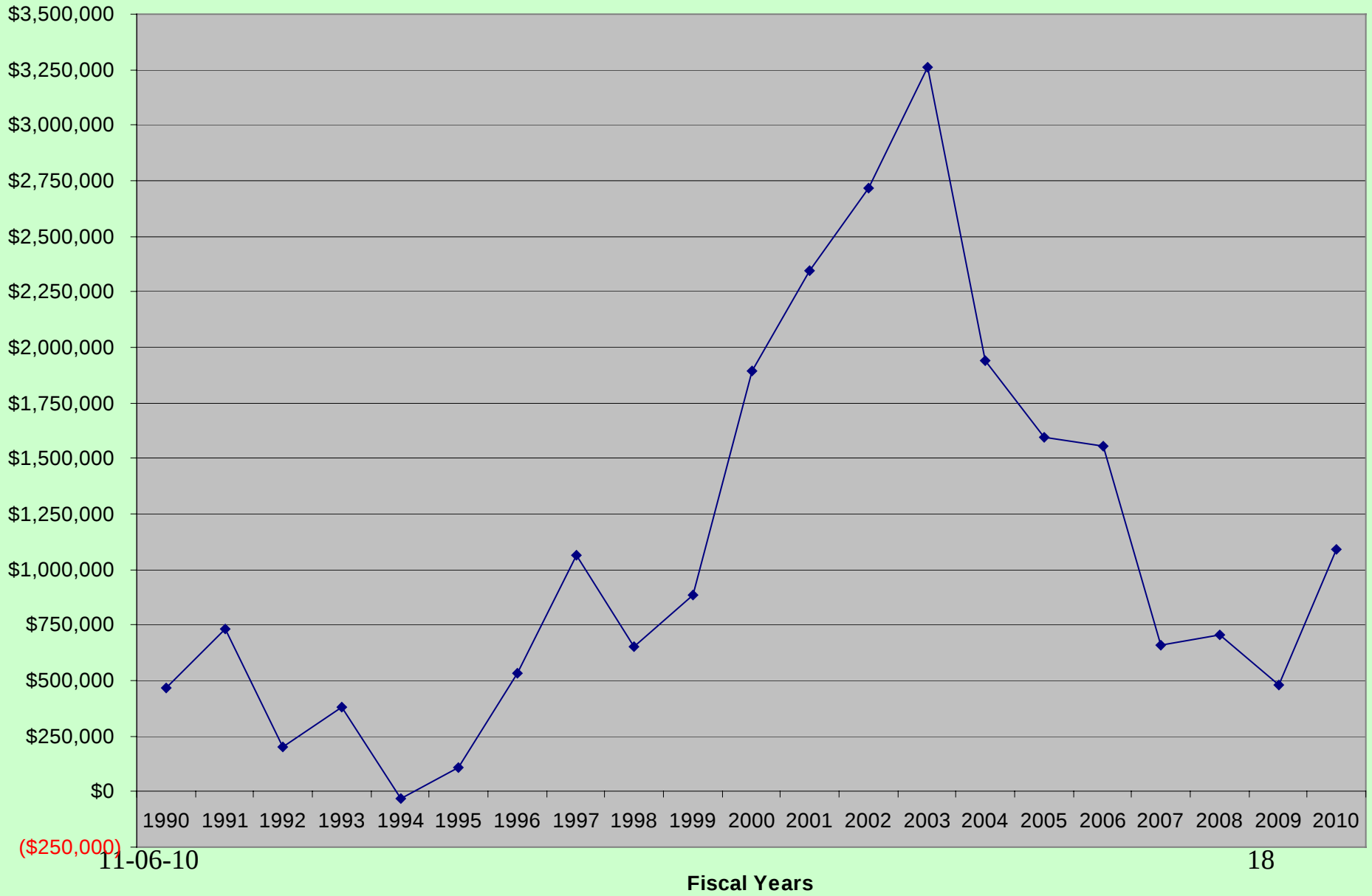
Room Occupancy Tax				
Fiscal Years 2007 through 2011				
	Current 4%	Optional +2%		Total
Fiscal Year	Receipts	Receipts		Receipts
2007	75,377	37,689		113,066
2008	108,500	54,250		162,750
2009	94,653	47,327		141,980
2010	91,543	45,772		137,315
2011*	50,454	25,227		75,681
*through September 30th				

Available Funds (Free Cash)

- Free cash certified annually
- Portion used to support budget
- Portion to be placed in Stabilization Account for future use

Certified Free Cash History			
Fiscal Year	Certified	Dollar Change	Percent Change
1990	467,424		
1991	732,482	265,058	56.71%
1992	202,451	(530,031)	-72.36%
1993	380,337	177,886	87.87%
1994	(31,147)	(411,484)	-108.19%
1995	111,714	142,861	-458.67%
1996	533,360	421,646	377.43%
1997	1,066,011	532,651	99.87%
1998	651,225	(414,786)	-38.91%
1999	887,925	236,700	36.35%
2000	1,895,243	1,007,318	113.45%
2001	2,342,743	447,500	23.61%
2002	2,718,481	375,738	16.04%
2003	3,260,038	541,557	19.92%
2004	1,938,362	(1,321,676)	-40.54%
2005	1,593,987	(344,375)	-17.77%
2006	1,556,344	(37,643)	-2.36%
2007	656,236	(900,108)	-57.83%
2008	705,805	49,569	7.55%
2009	482,086	(223,719)	-34.09%
2010	1,091,915	609,829	86.40%

Town of Hull
Certified Free Cash
Fiscal Years 1990 through 2010



(\$250,000)

11-06-10

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PILOT PAYMENTS

➤ Light Department

- ✓ In place for over 20 YRS
- ✓ Based on Plant Value

➤ HRA

- ✓ In place 2 years, based on land value

➤ Sewer

- ✓ One time payment-converted to capital

Payment in Lieu of Taxes
Fiscal Years 2000 through 2011

Fiscal Year	Receipts	
2000	130,000	Light
2001	135,000	Light
2002	140,000	Light
2003	145,000	Light
2004	145,000	Light
2005	108,800	Light
2006	115,324	Light
2007	164,000	Light
2008	164,000	Light
2009	165,008	Light
2010*	580,008	Light, Sewer, HRA
2011*	430,008	Light,HRA
2012*	430,008	Light,HRA

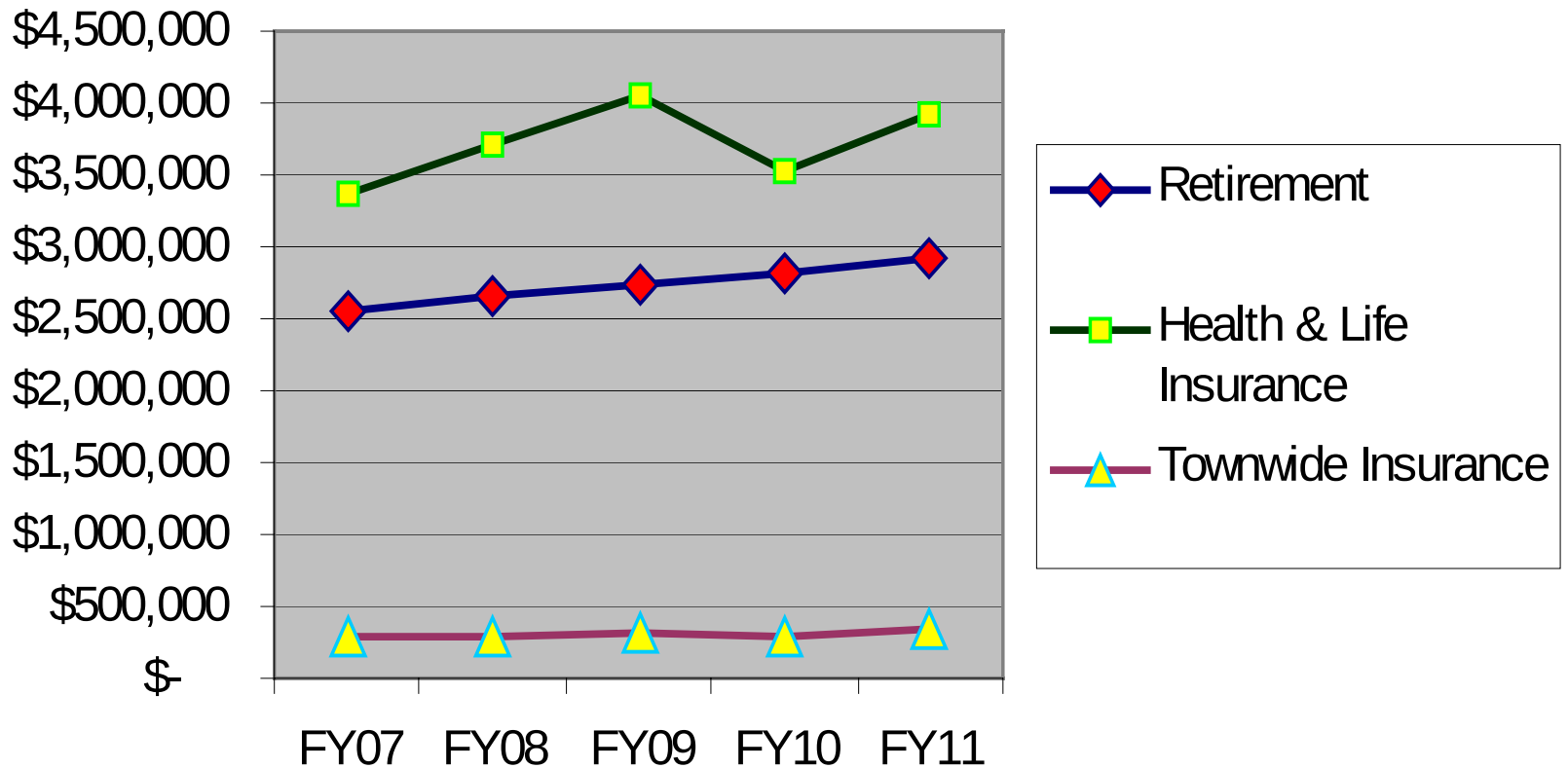
Revenue Summary		FY11	FY12 NO LEVY	FY12 Level	FY12 Growth 4%	
1	Real Estate/Property Taxes					
2	Base Tax Levy	21,932,131	22,630,434	22,630,434	22,630,434	
3	Statutory 2 1/2 Increase	548,303		565,761	565,761	
4	Growth in Tax Base	150,000		150,000	150,000	
5	Debt Exclusion-High School	461,040	517,307	517,307	517,307	
6	Maximum Allowable Tax Levy	23,091,474	23,147,741	23,863,502	23,863,502	
7	Intergovernmental Revenues					
8	State Revenue Sharing	5,716,743	5,716,743	5,716,743	5,716,743	
9	Less School & Library Offsets	(14,604)	(14,604)	(14,604)	(14,604)	
10	Projected Net State Aid	5,702,139	5,702,139	5,702,139	5,702,139	Level
11	Local Receipts					
12	Estimated Receipts	2,769,250	2,769,250	2,769,250	2,769,250	Level
13	Overlay Surplus	125,000	150,000	150,000	150,000	
14	Available Funds (Free Cash)	482,086	500,000	500,000	500,000	
15	Stabilization Fund	263,356	257,713	257,713	257,713	
16	Additional Stabilization Usage	180,412				
17	Additional Rent-Light	200,000	200,000	200,000	200,000	Level
18	PILOT-Sewer	0				
19	PILOT-HRA	65,000	65,000	65,000	65,000	Level
20	Receipts Reserved-Parking Meters	0	0	0	0	
21	Sale of Cemetery Grave Account	0	0	0	0	
22	Additional Reserved for Appropriation	16,000	0	0	0	
23	Total Local Receipts	4,101,104	3,941,963	3,941,963	3,941,963	
24	Enterprise Funds					
25	Sewer Operating Budget	2,477,111	2,477,111	2,477,111	2,477,111	
26	Sewer Debt	397,622	590,056	590,056	590,056	
27	Harbormaster	159,067	159,067	159,067	159,067	
28	Harbor Debt	0	36,250	36,250	36,250	
29	Total Enterprise Fund Revenue	3,033,800	3,262,484	3,262,484	3,262,484	
30	TOTAL RECEIPTS	35,928,517	36,054,327	36,770,088	36,770,088	

Key Expenditure Issues

- Service Level vs. Funding Level
- Open Labor Contracts
- Non-Operational Costs Growth

Expenditure Summary		FY11	FY12 NO LEVY	FY12 Level	FY12 Growth 4%	
31	General Government	8,968,716	8,673,288	8,968,716	9,327,465	
32	School Department	12,500,000	12,088,252	12,500,000	13,000,000	
33	General Reserve	50,000	50,000	50,000	50,000	Level
34	Health Insurance	3,928,226	4,399,613	4,399,613	4,399,613	Incr. 12%
35	Other Insurances	991,750	1,041,338	1,041,338	1,041,338	Incr. 5%
36	Unemployment	100,000	100,000	100,000	100,000	Level
37	Pension Total	3,021,057	3,141,899	3,141,899	3,141,899	Incr. 4%
38	Debt & Interest	2,013,028	1,927,558	1,927,558	1,927,558	Actual
39	Capital Improvements-General	188,777	213,777	213,777	213,777	Projected
40	Total Services Costs	31,761,554	31,635,725	32,342,901	33,201,650	
41	Enterprise Funds					
42	Sewer Operating Budget	2,477,111	2,477,111	2,477,111	2,477,111	
43	Sewer Debt	397,622	590,056	590,056	590,056	
43	Harbormaster Operating Budget	159,067	159,067	159,067	159,067	
44	Harbormaster Debt	0	36,250	36,250	36,250	
45	Enterprise Fund Expenditures	3,033,800	3,262,484	3,262,484	3,262,484	
46	Other					
47	Overlay	270,000	270,000	270,000	270,000	Level
48	Snow Removal Deficit	87,697	125,000	125,000	125,000	Projected
49	Other Total:	357,697	395,000	395,000	395,000	
50	Intergovernmental Charges					
51	State County Assessments	309,438	309,438	309,438	309,438	
52	Charter School Assessment	451,680	451,680	451,680	451,680	
53	Intergovernmental Total	761,118	761,118	761,118	761,118	Level
54	TOTAL EXPENDITURES	35,914,169	36,054,327	36,761,503	37,620,252	
	NET EXCESS/(DEFICIT)	14,348		8,585	(850,164)	

Health, Retirement & Insurance over Time



NON-OPERATIONAL COSTS OVER TIME

	FY07	FY08	FY09	FY10	FY11
FICA Payments	\$ 213,526	\$ 216,348	\$ 229,393	\$ 208,774	\$ 229,500
Retirement	\$ 2,545,053	\$ 2,651,887	\$ 2,739,825	\$ 2,825,392	\$ 2,921,057
Health & Life Insurance	\$ 3,371,360	\$ 3,720,786	\$ 4,062,857	\$ 3,515,266	\$ 3,928,226
Non Contrib Pensions	\$ 121,594	\$ 102,640	\$ 104,824	\$ 105,889	\$ 100,000
Overlay	\$ 470,348	\$ 266,288	\$ 272,651	\$ 483,870	\$ 325,000
Snow Removal (to be raised)	\$ 171	\$ 25,141	\$ 97,555	\$ 210,159	\$ 87,696
State Assessment	\$ 1,359,275	\$ 1,307,399	\$ 1,068,747	\$ 828,068	\$ 761,118
Townwide Insurance	\$ 298,292	\$ 300,880	\$ 305,112	\$ 301,942	\$ 336,500
Unemployment Comp	\$ 89,818	\$ 56,185	\$ 65,287	\$ 218,405	\$ 100,000

SUMMARY		FY11	FY12 NO LEVY	FY12 Level	FY12 Growth 4%
REVENUE					
6	Maximum Allowable Tax Levy	\$ 23,091,474	\$ 23,147,741	\$ 23,863,502	\$ 23,863,502
10	Projected Net State Aid	\$ 5,702,139	\$ 5,702,139	\$ 5,702,139	\$ 5,702,139
23	Total Local Receipts	\$ 4,101,104	\$ 3,941,963	\$ 3,941,963	\$ 3,941,963
29	Total Enterprise Fund Revenue	\$ 3,033,800	\$ 3,262,484	\$ 3,262,484	\$ 3,262,484
30	TOTAL RECEIPTS	\$ 35,928,517	\$ 36,054,327	\$ 36,770,088	\$ 36,770,088
EXPENDITURES					
40	Total Services Costs	\$ 31,761,554	\$ 31,635,725	\$ 32,342,901	\$ 33,201,650
45	Enterprise Fund Expenditures	\$ 3,033,800	\$ 3,262,484	\$ 3,262,484	\$ 3,262,484
49	Other Total:	\$ 357,697	\$ 395,000	\$ 395,000	\$ 395,000
53	Intergovernmental Total	\$ 761,118	\$ 761,118	\$ 761,118	\$ 761,118
54	TOTAL EXPENDITURES	\$ 35,914,169	\$ 36,054,327	\$ 36,761,503	\$ 37,620,252
NET EXCESS/(DEFICIT)		\$ 14,348	\$ 0	\$ 8,585	\$ (850,164)