



TOWN OF HOPKINTON
TOWN MANAGER'S OFFICE
Norman Khumalo, Town Manager

MEMO

TO: Board of Selectmen
FROM: Norman Khumalo, Town Manager
RE: FISCAL 2016 BUDGET TRANSMITTAL MEMO
DATE: February 20, 2015

I hereby respectfully submit the Fiscal 2016 Town Manager recommended comprehensive budget and financing plan. This budget, as proposed, is balanced based on the revenue assumptions depicted in the Financial Model Summary.

The Town Manager recommended budget totals \$77,493,293, an increase of \$3,237,883 or 4.36% from the Fiscal 2015 approved budget and an overall tax impact of 2.48% net of new growth. To sustain and enhance this vibrant community's excellent programs and services, the proposed budget funds strategic initiatives across town departments at \$874,152.

Obligations or fixed costs total \$9,052,452 representing an increase of \$170,897 or 1.92% from Fiscal 2016. Other Post-Employment Benefits (OPEB) is proposed to be funded at 50% of the Town's projected annual contribution. Staff will present a detailed funding proposal for the Board of Selectmen's consideration in the coming weeks.

Debt Service costs are down 14.93% due in part to the Middle School and Downtown Design projects coming off the schedule. The recommended Capital Improvement Program totals \$3,065,544 of which \$2,323,445 will be bonded and \$742,099 will be Pay-As-You-Go.

The projected revenue is \$19,381,796, an increase of \$1,221,663 or 6.73% from Fiscal 2015. Free cash is estimated at \$1,525,596 and will not be used to fund the operating budget. As the budget review progresses, staff will continue to monitor and report on the potential impacts of state aid, free cash and overlay surplus on the Town's projected revenues.

I would like to remind our senior Citizens of the Town's Senior Citizen Tax Relief programs.

Finally, I would like to thank Chris Howell, Suzanne Marchand, Dr. Cathy MacLeod, Ralph Dumas, Department Heads, Town Boards, Commissions, and Committees for their collaborative effort and support preparing the Fiscal 2016 budget. The "One-Town-One Solution" philosophy will continue to guide the on-going dialogue engaging town residents for

the final discussion and approval of the budget at the 2015 Annual Town Meeting. Together
“We are respectful of our past, engaged in our present, and actively preparing for our future.”

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Norman Khumalo', written in a cursive style.

Norman Khumalo
Town Manager