



ABSTRACT

This document provides an overview of the proposed 2014 Budget prepared by the department heads of the town.

Shaun Mulholland
Town Administrator

2014 BUDGET OVERVIEW

Town of Allenstown

Photo of the Suncook River at the former Buck St. Dam site.

Taken by Health Officer Joyce Welch

<u>Department</u>	FY 2013 <u>Aproved</u> <u>Budget</u>	FY 2014 Department <u>Request</u>	%Inc/(Decr.)	FY 2014 Default <u>Budget</u>
Executive	159,759.00	157,350.00	-1.5%	169,294.00
Elections & Reg	47,820.00	55,787.00	16.7%	55,307.00
Finance	192,217.31	214,136.00	11.4%	207,244.00
Legal	20,000.00	30,000.00	50.0%	20,000.00
Personnel	628,987.00	716,330.00	13.9%	712,725.00
Planning	16,451.00	16,450.00	0.0%	16,451.00
Zoning	5,051.00	5,050.00	0.0%	5,051.00
Gen. Gov't Bldg	24,800.00	28,150.00	13.5%	24,800.00
Cemetery	3.00	0.00	-100.0%	3.00
Insurance	53,500.00	62,766.00	17.3%	62,766.00
Advertising/Reg.	4,322.00	4,531.00	4.8%	4,531.00
Police	860,522.00	913,900.00	6.2%	903,740.00
Ambulance	137,253.00	172,939.00	26.0%	172,939.00
Fire	307,869.00	318,014.00	3.3%	310,737.00
Building Insp.	31,225.00	35,345.00	13.2%	33,593.00
Emergency Management	70,600.00	43,850.00	-37.9%	73,850.00
Forest Fire	4,000.00	4,024.00	0.6%	4,000.00
Highway/Street lighting/Solid Waste	632,355.00	686,560.00	8.6%	686,569.00
Sewer Treat.		0.00	#DIV/0!	0.00
Health/HA/ACO	37,533.00	27,837.00	-25.8%	37,482.00
Welfare/WDA	68,599.00	63,215.00	-7.8%	63,908.00
Parks & Rec	31,650.00	31,733.00	0.3%	31,650.00
Library	47,830.00	51,251.00	7.2%	51,251.00
Patriotic	2,351.00	2,350.00	0.0%	2,351.00
Conservation	9.00	0.00	-100.0%	9.00
Economic Dev	1,050.00	0.00	-100.0%	1,050.00
Debt	83,442.00	80,628.00	-3.4%	80,628.00
Capital Outlay	84,143.00	111,726.00	32.8%	111,727.00
Total	3,553,341.31	3,833,922.00	7.9%	3,843,636.00

Introduction

The Board of Selectmen issued a directive to the department heads and board chairpersons to produce their respective proposed budgets for the 2014 Budget by July 31st, 2013. The directive further stated that the budgets cannot be more than the default amount for each budget. The budgets were to include a 2% Cost of Living Adjustment (COLA) for all employees. Eligible employees could also receive up to an additional 2% merit.

The spreadsheet on Page 1 provides an overview of the budgets submitted. The rates for health and dental insurance for employees will not be available until mid-October. Those budgets include an estimated cost factor as a place marker until the actual numbers are received. The budget for the Sewer Commission is no longer included in the Town budget calculations as their budget will be submitted on a separate warrant article for 2014.

Executive Summary

The proposed Town budget represents a 7.9% increase in spending over the 2013 approved budget. The proposal is an increase of \$280,580. The overall proposed budget is below the default budget calculation by approximately \$9,714. The areas that drive the majority of the increase are as follows;

1. Allentown is subject to the MS4 storm water permit requirements of the Federal Clean Water Act. The 2010 Census placed portions of Allentown into the Manchester Urban Area. This subjects the Town to the 2013 MS4 permit requirements administered by the U.S. Environmental Protection Agency. The requirements of this permit require the Town to develop a storm water management plan, a storm water ordinance, mapping of the storm water system, testing of the storm water outflows, detection of illicit discharges into the storm water system and potentially treatment of the storm water. The cost in 2014 of implementation of this permit are projected to be **\$54,110**.
2. The Allentown School District has requested that the Police Department provide a School Resource Officer. The District has agreed to pay of the cost of this position. The cost must appear in our budget however all of the funding will come from the school district. This will not increase the Town's portion of the tax rate. The cost is just over **\$46,000**.
3. The Capital Outlay line was increase due to two factors. The first is at \$14,000 increase due to the lease payment for the Highway Department's wheel loader. This cost will be paid out of an existing capital reserve fund. This will not impact the tax rate. The other cost was \$13,430 for the computer replacement program and initial setup for the cloud server under the new IT contract for all Town departments. Total increase in this line was **\$27,430**.
4. The service component for the IT contract has increased. The Town has transition to a .gov email address from the .org email addresses that expired in 2013. The various

Town departments had an assortment of email addresses from different companies. They are now consolidated and managed by our IT firm. The IT systems at both the police station and town hall sustained attacks by hackers and other viruses. The attack on the town hall computers did considerable damage. The police station computers were protected as they were monitored through the IT company. The new IT contract provides for protection, monitoring and service which was not provided before to the town hall, highway department and fire department. The Library will also participate in this contract. We will also be moving to a cloud server to eliminate the replacement cost of the four computer servers in the various departments. The total cost of the service contract is \$37,968. This results in approximately **\$10,000** in expenditures over the previous year.

5. The largest area of increase is in the Personnel line. The anticipated costs for employee health and dental insurance premiums is a major factor. We will not know the actual amounts until mid-October however we are estimating increased costs to be approximately just over \$31,000. The other major cost increase in this line is due to cost shifting of retirement costs from the State to the Town. The increase in costs paid to the NH Retirement System equal approximately just over \$41,000. The overall increase in the Personnel line is **\$87,343**.
6. The Tri-Town Ambulance Service costs for 2014 will result in significant increase. The major factor is the limited revenues being collected from insurance providers and private citizens for services provided. All ambulance services public or private are struggling with this issue. Insurance companies, the Federal Government through Medicaid and individuals are paying smaller amounts to ambulance services. This requires additional subsidizing by towns and cities. The present budget contains a projected 26% increase however it could be higher to cover shortfalls in the 2013 ambulance revenues. The increased amount in the budget right now is just over **\$35,000**.
7. The increase in the insurance line represents the overall price increase for liability insurance. Part of this cost is covered by the Sewer Commission. This was not shown in the budget in the past. In order to properly comply with Generally Accepted Accounting Principals the full amount appears in the budget now. The increase in the budget is **\$9,266**.
8. The legal line has been increased to properly represent the true cost of legal services. This represents at **\$10,000** increase from the previous year.

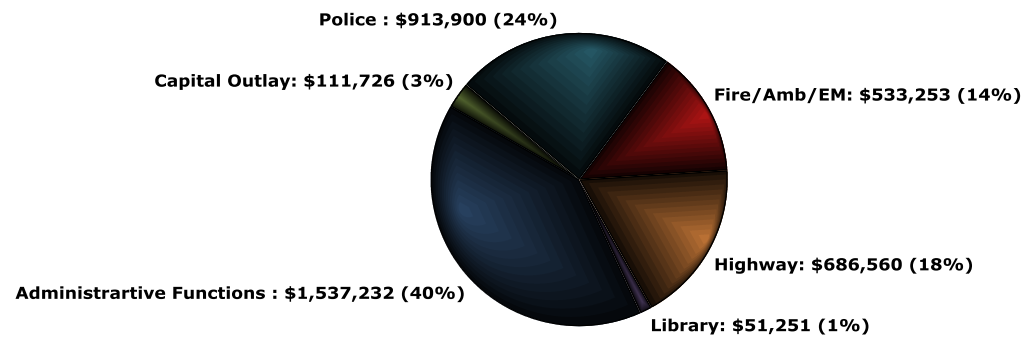
The proposed budget in its present form will result in service reductions in the Police Department and Animal Control. The Animal Control Officer would be laid off effective January 1st, 2014 under this budget proposal. The Police Department would do the best that it can to provide these services however dog licensing compliance would no longer be provided.

Reductions in the Police Department's overtime line will eliminate police coverage for the Old Home Day Parade, Tricker or Treat night and limit coverage for vacations. The inability to cover vacation time off for officers will reduce police coverage and response time. The remaining services of the Town will be maintained at their present levels under this proposal.

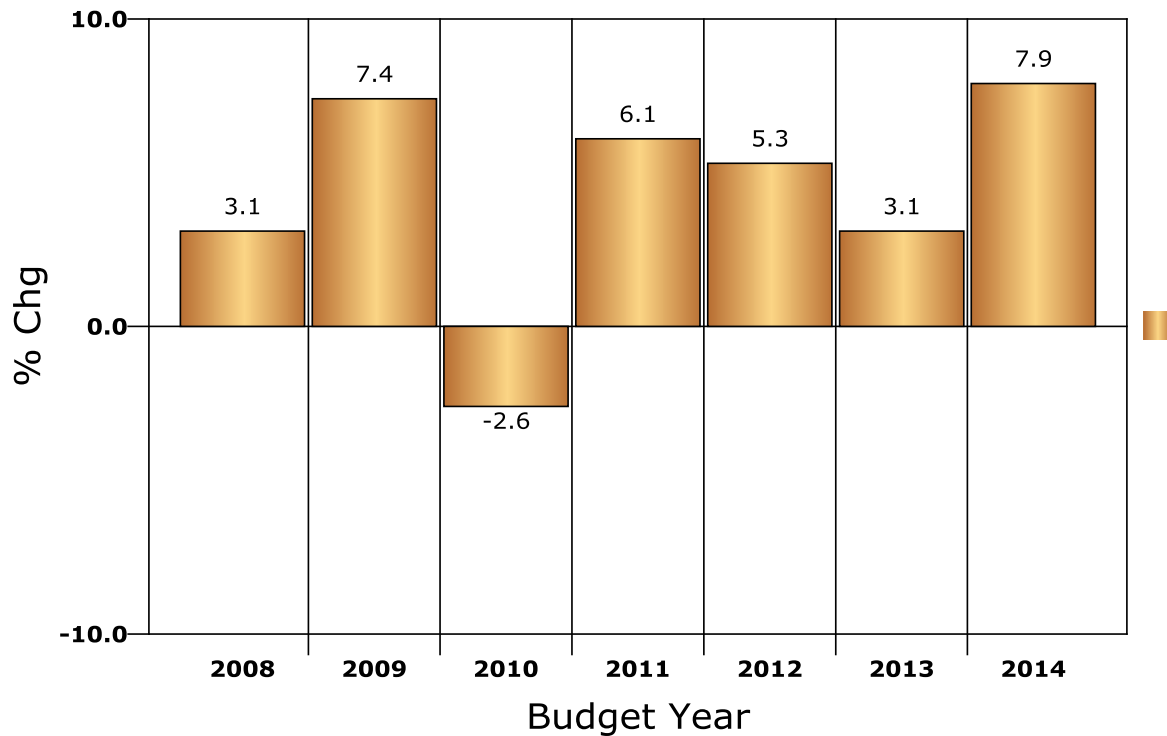
The only revenue reductions that we are tracking at the present time are reductions in grants from the federal government that are passed through to the Town through the state. We are anticipating a \$30,000 reduction in grant funding through the Homeland Security Exercise and Evaluation Program. This will limit the scope and size of our emergency management exercise program in 2014.

The next several pages include graphs that depict the various facets of the Town's budget, revenues and tax information.

Services as a % of the 2014 Budget



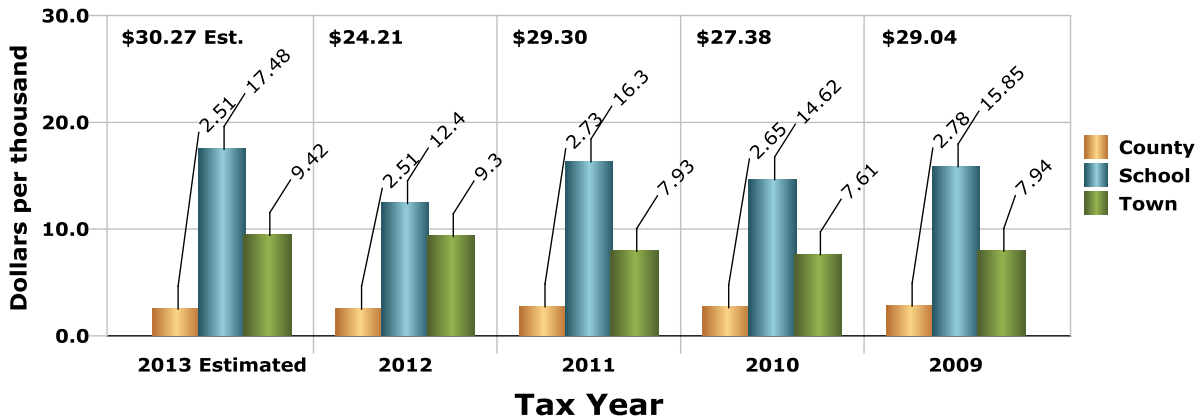
Town Appropriations



2008	2009	2010	2011	2012	2013	2014
3.1	7.4	-2.6	6.1	5.3	3.1	7.9

This chart shows the percent change in appropriations from year to year for the town budget excluding the appropriations for the sewer department. The percent change for 2014 is based on the total of the budgets submitted by the department heads as of 7/31/13. The actual amount will be determined at the completion of the budget process

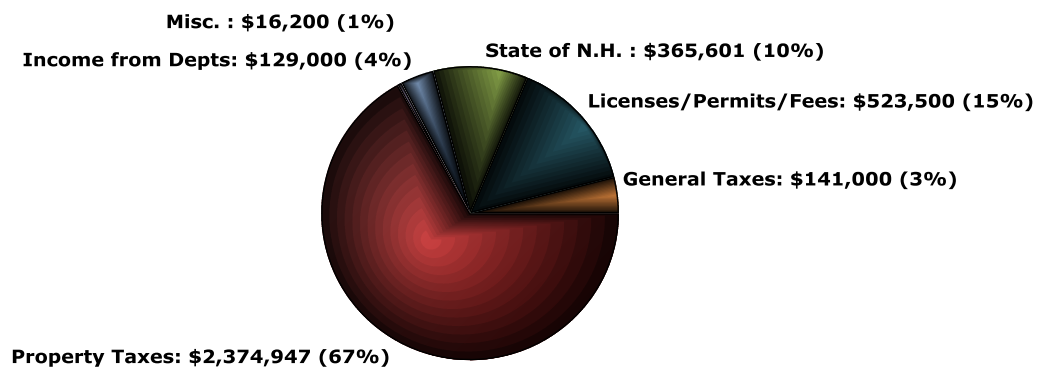
Tax Rate History



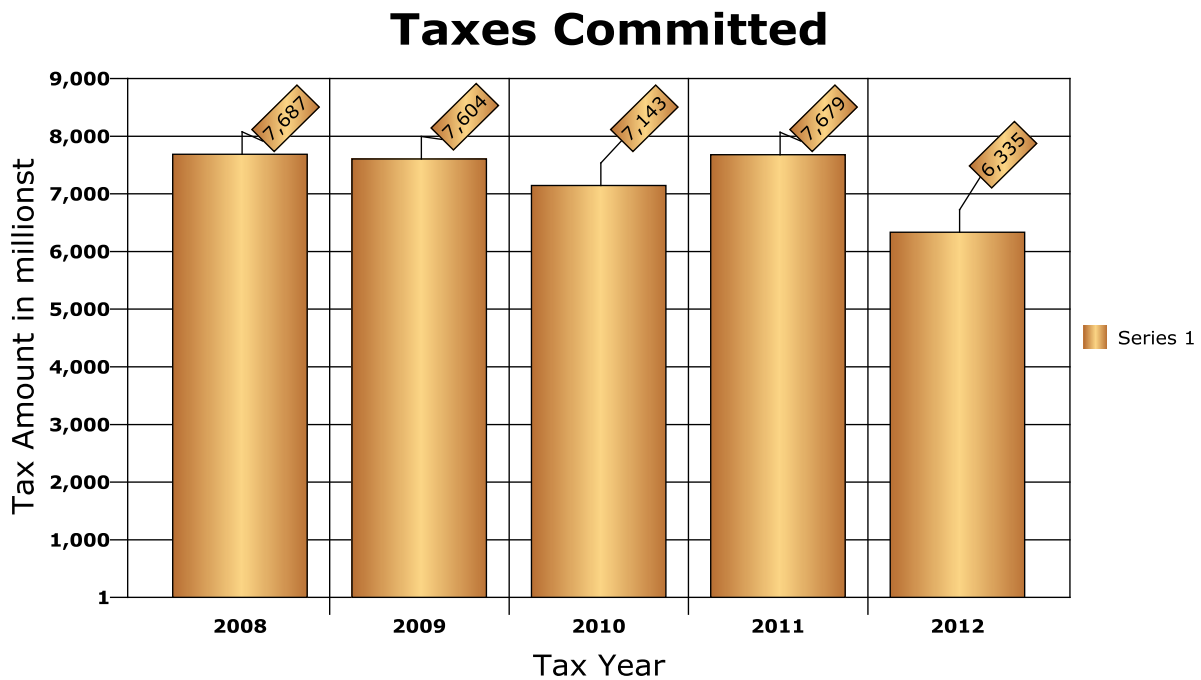
This chart shows the tax rate history in dollars per thousand for each tax year. The 2013 rate is estimated. There are a number of factors that determine the rate. The 2013 tax rate will not be set until sometime in October.

This chart depicts the estimated revenues that were prepared for the 2013 budget. We will not know until the end of the year what the actual amount of revenues were. We will be preparing a revenue projection for 2014 in October.

2013 Estimate Revenues

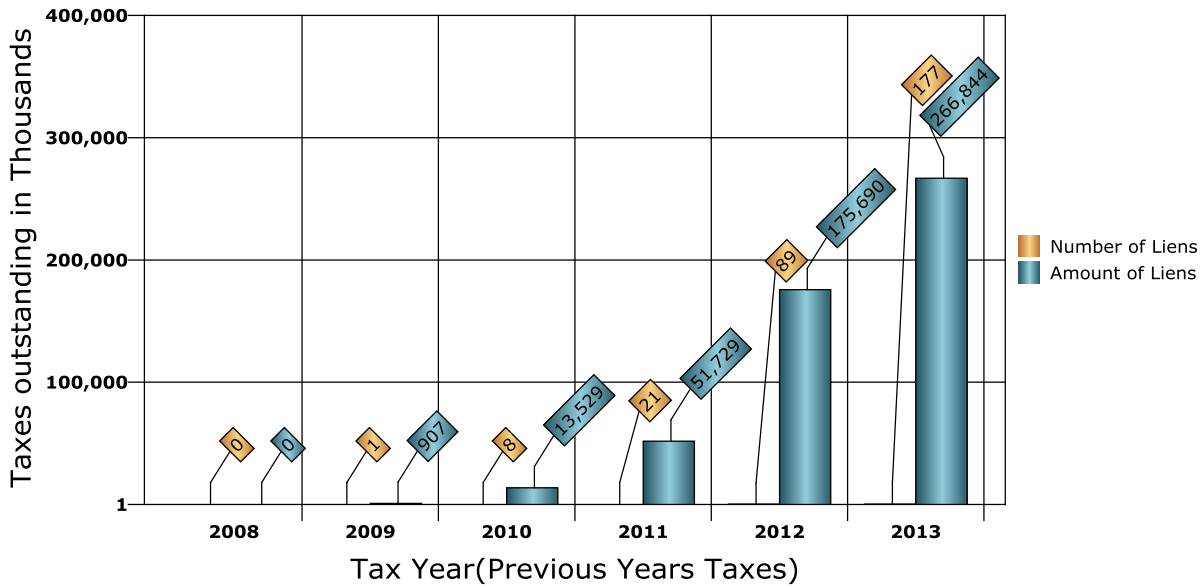


This chart depicts the actual property tax levy for each year. This amount represents the total amount of taxes levied for the local school, town and county tax needed to meet the appropriations set minus the other anticipated revenues.



These charts show the number of tax liens for a given tax year and the total amount of those liens owned to the town. As you can see the number and amount of those liens in comparison to the total tax levy is comparatively low.

Tax Liens



Taxes Outstanding

