



2016 BUDGET OVERVIEW TOWN OF ALLENSTOWN

ABSTRACT

This document provides an overview of the proposed 2016 Budget prepared by the department heads of the town.

Shaun Mulholland
Town Administrator

Photo of the groundbreaking ceremony for the Community Center Project.

Introduction

The Board of Selectmen issued a directive to the department heads and board chairpersons to produce their respective proposed budgets for the 2016 Budget by July 31st, 2015. The goal of the BOS is to have no or minimal increase in the town portion of the tax rate in 2016. The BOS anticipates cost increases in certain areas such as property liability insurance, health and dental insurance. The actual rate of increases in these areas will not be known until the end of October. The BOS has established targeted budget numbers for functional areas of the budget. Department Heads are expected to develop their 2016 Budgets within these numbers in light of the high tax rate. The budgets were to include a 1% Cost of Living Adjustment (COLA) for all employees to take effect on July 1 of 2016. The BOS anticipates the long term budget analysis will focus on the priority objectives of the Town. Their goal is to provide necessary services and minimize the increase in the tax rate for the residents of the town.

The spreadsheet provides an overview of the budgets submitted.

Executive Summary

The proposed 2016 Town budget submitted by the department heads represented a 3.16% decrease in spending from the 2015 approved budget. This year's proposed budget is approximately \$121,513 lower than last year's budget.

The areas of significant increase are the Finance, and Insurance budgets. The Town Clerk's and Tax Collector's budgets were restructured to follow the re-organization. We created a Municipal Agent Budget which is a sub section of the Finance Budget. The Town Clerk's budget was increased to accommodate four elections in the 2016 budget year. We also had to increase the payroll services line to comply with provisions of the Affordable Care Act. The audit budget increased due to the cost of performance audits and the requirement of a single audit in 2016. The Board has implemented performance auditing for the main functions of the town. The police department and the functions at town hall were audited in 2015. The fire department will be audited in 2016 and the highway department in 2017. There is an increase in software expenses for the Avitar Software implemented in 2014. There was a drastic increase in the property liability due to NH Property Liability Trust not being reauthorized to write insurance policies. This limits our options in possible insurance carriers.

The Community Center project funded by grants and donations will be completed in 2016. The project cost is approximately \$2.1 million. This facility at the Whitten Street Park will house the

Boys & Girls Club and the Suncook Senior Center. The building will also be used as an emergency shelter, polling place and a place for public meetings.

The areas of significant change are as follows:

1. The largest area of decrease is in the Personnel line. The anticipated costs for employee health and dental insurance premiums are a major factor. The cost of Health Insurance for 2016 was reduced as a result of plan changes, younger employees are taking single plans. We also eliminated a buffer of one of the two family plans which we add to the budget to accommodate employment turnover. The Town is part of a group of seven towns which pool their buying power together to obtain lower rates. The Suncook Valley Regional Towns Association recently completed a study and made a list of recommendations to reduce health insurance costs. The Board of Selectmen approved the implementation of all of the proposed changes. Considerable cost savings was achieved by implementing those recommendations. The other major cost reduction is the holiday premium credit the town received for workers compensation and unemployment insurance premiums. *At the time of the writing of this overview the cost for the premiums for health & dental insurance are not known for 2016. We will not have those costs until the end of October.*
2. The General Government Building Budget saw a reduction primarily due to the cost charged by Eversource for delivery of electricity and the supplier which is Constellation. The Town entered into a three year contract with Constellation as our power supplier at a set rate of .0895 cents per kilowatt hour.
3. The proposed fire department budget is 5% less than the approved 2015 budget. Reductions in training costs, the payroll line for call firefighters and the cost of supplies. The reductions represent a cost decrease of **\$13,930**.
4. The proposed Planning Board budget was reduced by **\$600**.
5. The Emergency Management budget was reduced by **\$34,000**. This reduction is due to lack of available grant funds. This reduces the town's revenues by the same amount.
6. The Building Inspector budget was increased due to the added part time shared administrative assistant position with the fire department. We need to pay computer software licenses this year that we did not have last year. **\$4,120**.
7. The ambulance budget had a 2.6% decrease **\$5,504**. The new billing company that was contracted with to collect for the service is far more efficient and producing more revenues than projected.
8. The highway budget had a reduction of 8.3% due primarily to a cut in road reconstruction projects in 2016. This budget line had been reduced by **\$13,720**.
9. The Police budget was reduced by 5.1% eliminating a full time police officer position. This reduction in staff will cause a hardship for the department and may cause a reduction in coverage during the midnight shift. Training was reduced to cover only mandatory training. Additional training that has

greatly benefited the department has been eliminated. The fuel line has decreased due to the decrease in fuel prices. The entire Police Department Budget decreased by \$47,635.

Spending Analysis and Estimated Tax Impacts

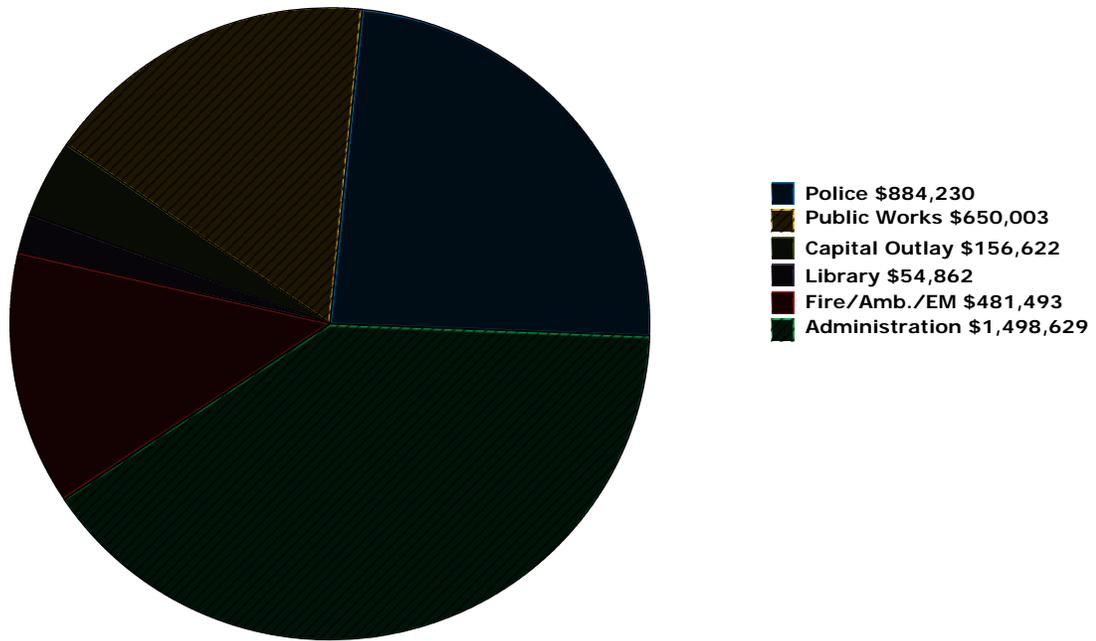
The proposed 2016 Budget recommended by the department heads results in a 3.16% decrease in spending from 2015. The tax rate for the Town for 2014 was \$11.66. The tax rate for 2015 will not be known for another couple of weeks.

The assessed valuation for 2016 is \$248,637,285 which is an increase of \$2,907,349 from 2015. This is a change in the direction of previous years assessed valuation which was on the decline in past years.

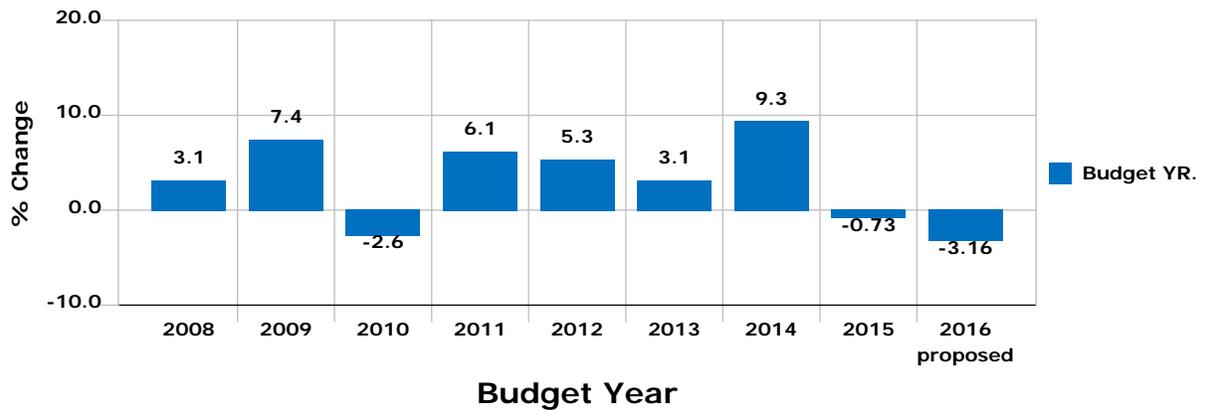
Revenue projections are up by approximately 4.72% (revenues other than property taxes) from what we projected for 2014 and 2015. These projections are made at the beginning of the budget process each year. The revised projections for 2015 indicate a 7% increase in revenues. This revised projection is made at the end of August each year which is far more accurate. This increase is expected as a result of our conservative revenue estimates. The actual amount of revenues will not be known until the year is out and the audit is completed (March/April 2016).

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

2016 Proposed Appropriations by Function



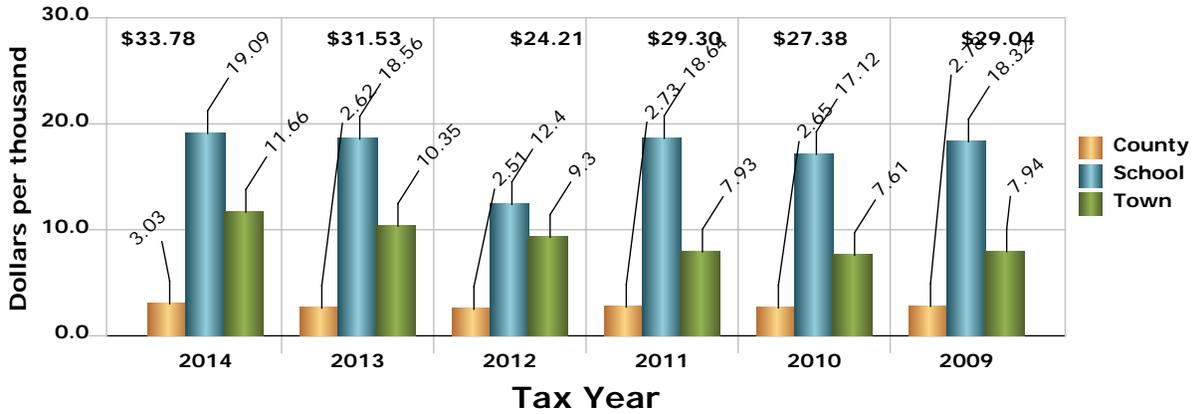
Town Appropriations



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 2016 is based

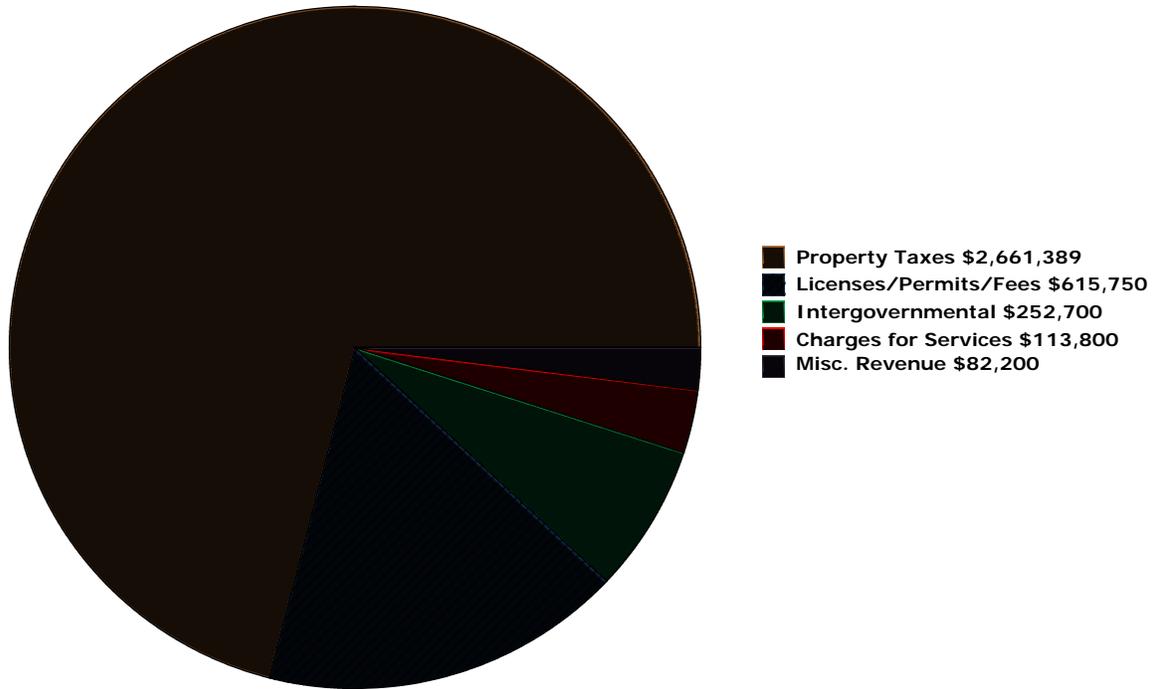
on the total of the budgets submitted by the department heads as of 7/31/15. The actual amount will be determined at the completion of the budget process

Tax Rate History



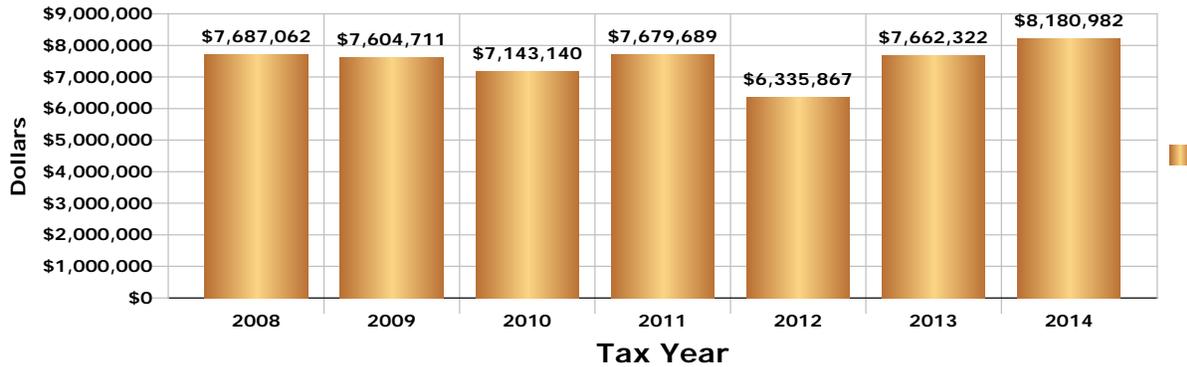
This chart shows the tax rate history in dollars per thousand for each tax year. There are a number of factors that determine the rate. We will not have the 2015 rate for several more weeks (mid November).

2016 Estimated Revenues



This chart depicts the estimated revenues that were prepared for the 2016 budget. We will not know until the end of the year what the actual amount of revenues were.

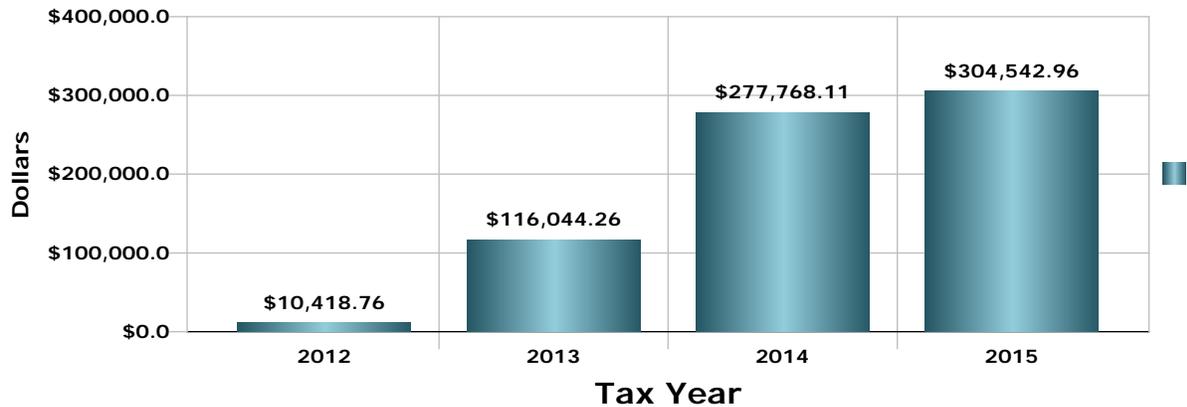
Taxes Committed



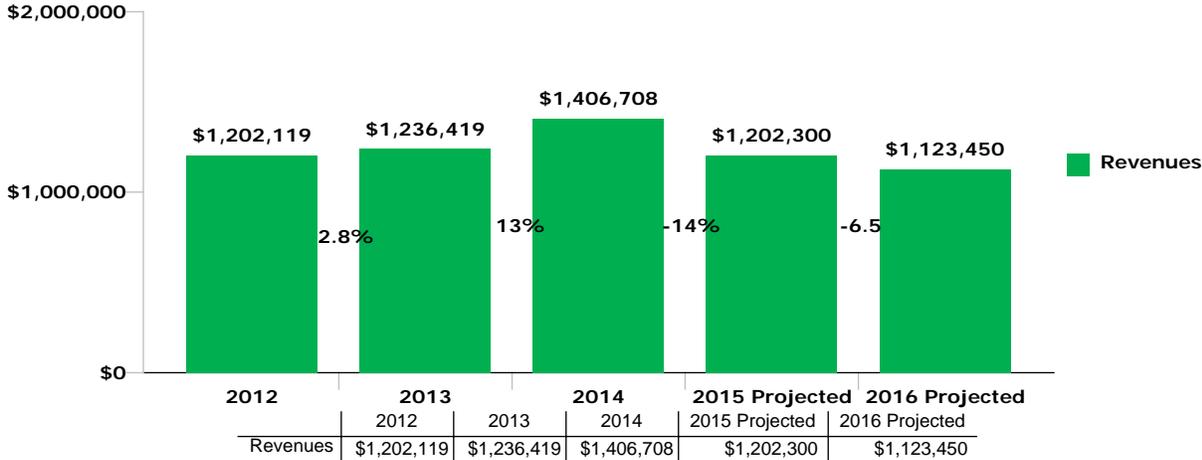
This chart depicts the actual property tax levy for each year. This amount represents the total amount of taxes levied for the local school, town and county tax needed to meet the appropriations set minus the other anticipated revenues. We will not have the tax levy for 2015 until mid-November.

This chart shows the amount of taxes for a given tax year and the total amount of taxes owed to the town. As you can see the amount of taxes owed in comparison to the total tax levy is comparatively low.

Taxes Outstanding



Revenues other than Property Taxes



This chart depicts the actual revenues for 2012, 2013 and 2014 other than property taxes. The numbers for 2015 are projected as the year will not close out until December 31st. The percent change between each year is depicted as well.

Revenues other than property taxes includes grants, fees, fines, sale of town property and interest on unpaid taxes.