

9/12/2016

# 2017 BUDGET OVERVIEW

TOWN OF ALLENSTOWN

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TOWN ADMINISTRATOR

## Introduction

The Board of Selectmen issued a directive to the department heads and board chairpersons to produce their respective proposed budgets for the 2017 Budget by July 31<sup>st</sup>, 2016. The goal of the BOS is to have a minimal increase in the town portion of the tax rate in 2017. The BOS anticipates cost increases in certain areas such as property liability insurance, health insurance, implementation of the wage classification system and retirement rates. Department Heads were expected to develop their 2017 Budgets with no increases in their operating budgets other than cost increases due to the implementation of the wage classification system. There will be no Cost of Living Adjustment (COLA) for employees in 2017. Some employees will see a salary increase from the wage classification system if they are scheduled for a step increase. Other employees will not receive a salary increase at all in 2017. The BOS anticipates the long term budget analysis will focus on the priority objectives of the Town. The Board's 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 2017 Town budget submitted by the department heads will result in an estimated 2.5% increase in spending from the 2016 approved budget. This year's proposed budget is approximately \$99,025 higher than last year's budget.

The areas of significant increase are the Finance, Personnel, Parks & Recreation and Insurance budgets. The Town Clerk's budget was decreased due to four elections in the 2016 budget year and only one scheduled for 2017. 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 was audited in 2016 and the highway department will be audited in 2017. Health and dental insurance rates will not be determined until the end of October. The changing landscape of health insurance as a result of the Affordable Care Act and increasing health care costs continues to have a major impact on our operating budget. We placed an estimated 10% cost increase in the budget for these items. The increase for 2016 was 17% for health insurance. The budgets will be adjusted accordingly when the 2017 rates become available at the end of October.

The Community Center project was completed in June of 2016. The 2017 Budget projects the estimated cost of a full year of the operation of the facility within the Parks & Recreation budget. This facility at the Whitten Street Park houses the Boys & Girls Club and the Suncook

Senior Center. The building will also be used as an emergency shelter and a place for public meetings.

The areas of significant change are as follows:

1. There are increases 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 and plan changes. However the increase in premiums was 17.4% over the 2015 rates. 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 recommendation to enter into an agreement with Health Trust to continue to provide health & dental insurance for employees. The Board of Selectmen will be reviewing proposed changes to the coverage that are offered to employees. The NH Retirement System has a scheduled rate increase scheduled for July of 2017. Group 1 (non-police and fire) employee rates will increase by 1.81%. Group II (police and fire) will increase by 11.56% for police and 9.36% for fire personnel.
2. The Finance line increased by **\$13,332** to complete a revaluation of the assessed properties of the Town. This line also increase by **\$31,233** for salaries of the finance director. Previously this position was split 25 hours per week for finance and 15 hours per week for welfare administration. The welfare administration tasks were assigned to the administrative assistant position at town hall for 5 hours per week at a lower salary rate. The finance director position was using on average 35 hours of this function per week. The finance director will be taking on the accounting of the sewer department which will be subsidized by the sewer department.
3. The proposed Parks & Recreation budget has increased to cover the cost of the new community center which opened in June of 2016. The 2017 budget reflects a full 12 months of operational costs. **\$15,410.**
4. The Welfare and Social Services line has decreased by **\$15,437** as a result of the hours dedicated to this function being reduced from 15 hours per week to 5 hours per week. Additionally the person filling the position now is being paid a lower salary as discussed above.
5. The Building Inspector budget was increased to provide for the wage classification adjustments for the administrative assistant position shared with the fire department. **\$1,937.**

6. The ambulance budget had a decrease for the second consecutive year. The reduction was 8%, **\$15,669**. The new billing company that was contracted with to collect for the service is far more efficient and producing more revenues than projected.
7. The Elections and Registration line was reduced **\$7,687** as the number of elections is being reduced from four in 2016 to just one in 2017.
8. The Police budget was increased by 1% as a result of salary increases in the wage classification system. **\$9,062**.
9. Executive line was reduced by **\$6,084** as result of the restructuring of the welfare administration function. Part of the administrative assistant's salary is covered by the welfare budget for 5 hours per week. There was also a reduction in the budget for office supplies.
10. Property liability insurance rates will not be known until the end of October. We have placed a 10% increase in the budget as a place marker until the rates are determined. We will also have a better idea of what our workers compensation and unemployment insurance rates will be at the end of October.

## Spending Analysis and Estimated Tax Impacts

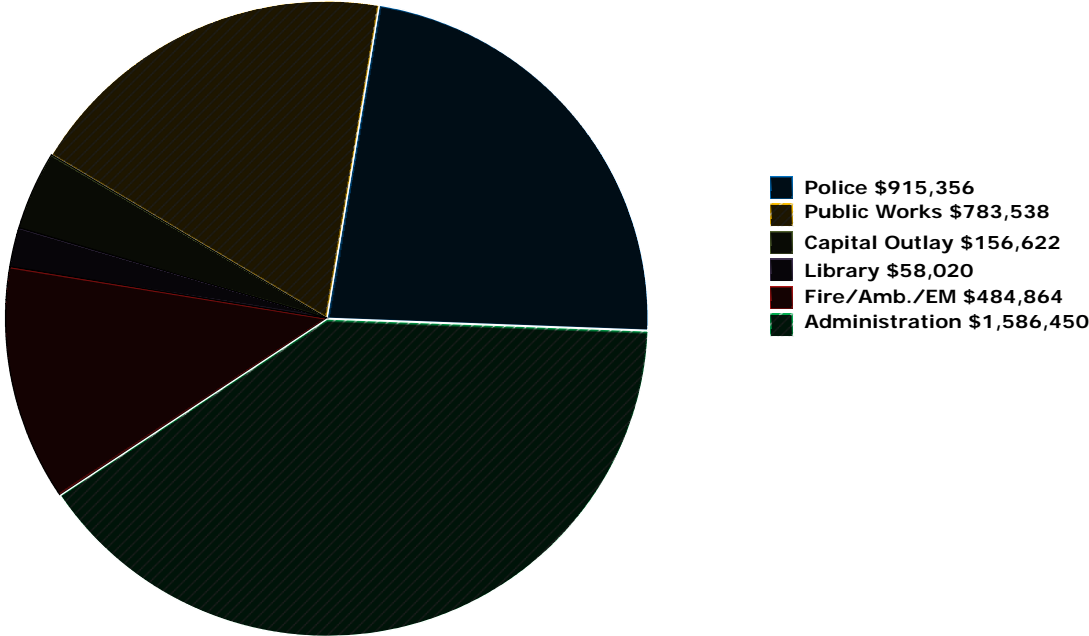
The proposed 2017 Budget proposed by the department heads results in a 2.55% increase in spending from 2016. The tax rate for the Town for 2015 was \$11.31. The tax rate for 2016 has not been set yet. We anticipate the rate will be determined by DRA in mid-October.

The assessed valuation for 2016 is \$249,523,983 which is an increase of \$1,725,839 from 2015. This is a change in a positive direction however the increase was less than that of last year's.

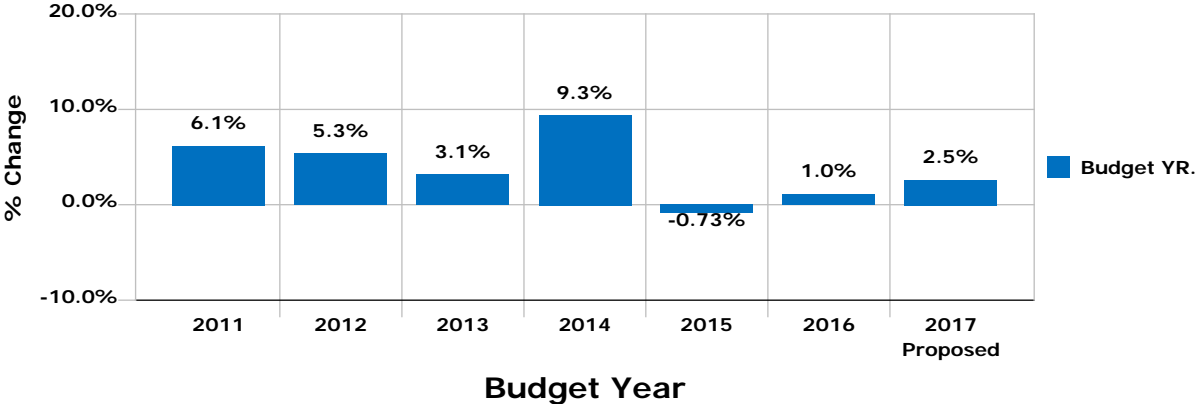
The revenues other than property taxes for 2016 are projected to be lower by as much as 10% from the previous year. The projection for revenues for 2017 will be made at the end of this budget year. This decrease projected for 2016 is expected as a result of our conservative revenue estimates. The actual amount of revenues will not be known until the year is out and the audit is completed (March/April 2017).

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

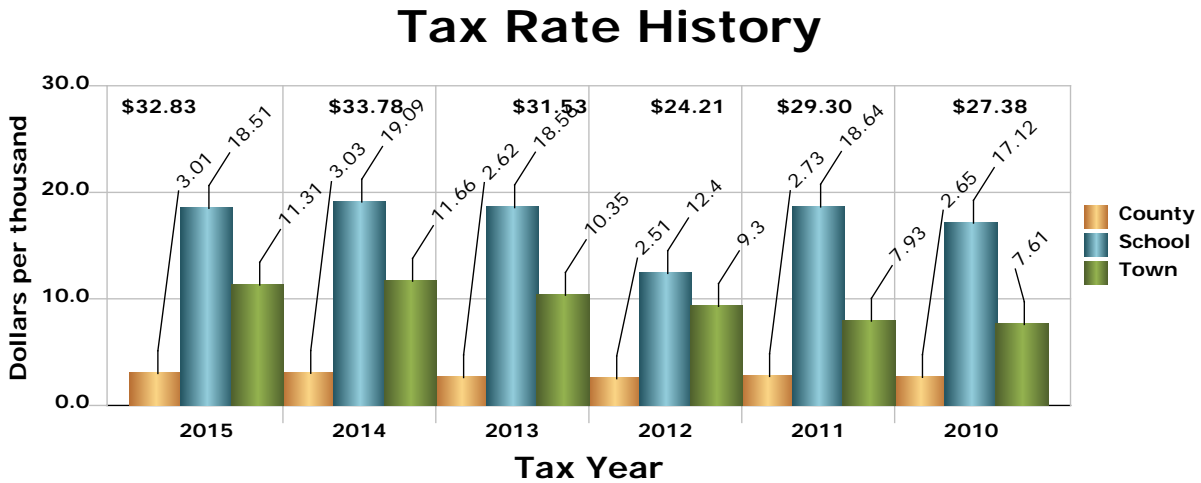
### 2017 Proposed Appropriations by Function



### Town Appropriations

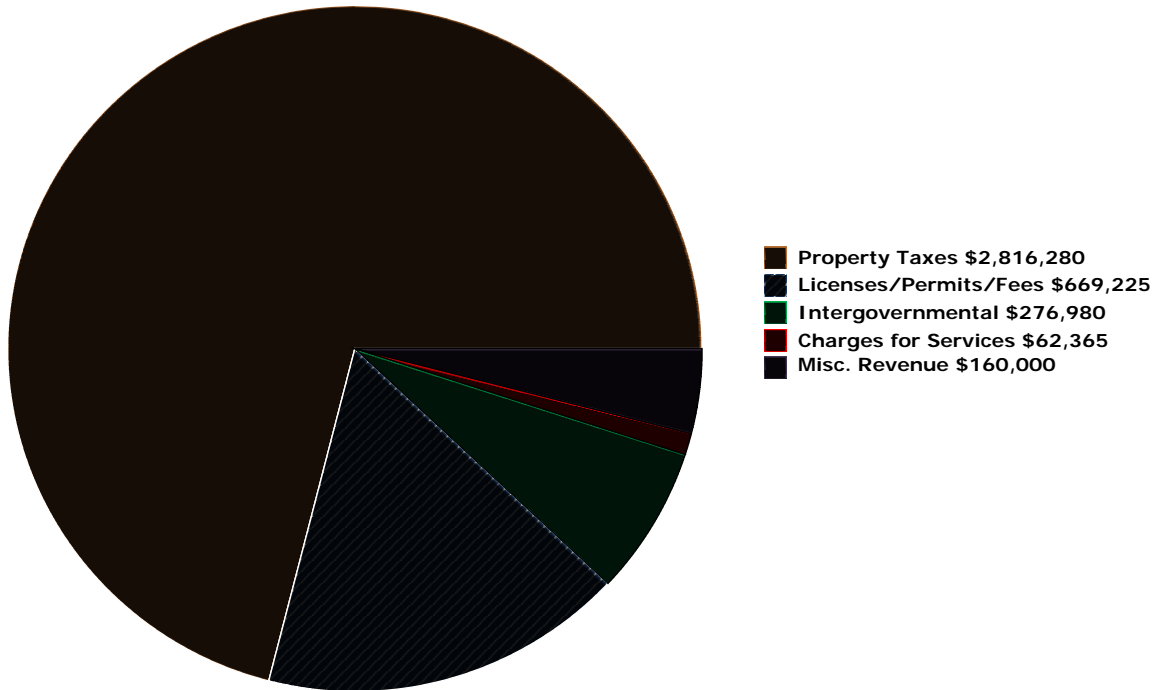


This chart shows the percent change in appropriations from year to year for the town budget excluding the appropriations for the sewer department. The percent change for 2017 is based on the budgets submitted by the department heads.



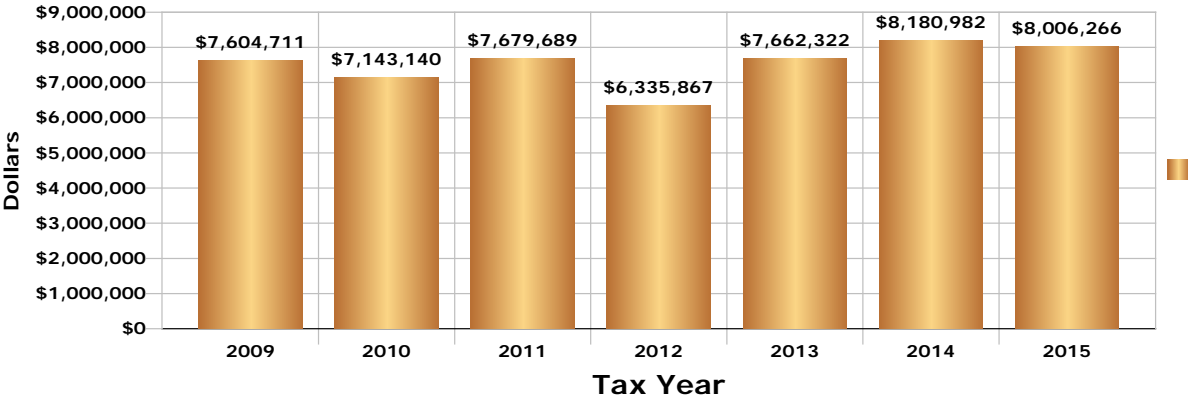
This chart shows the tax rate history in dollars per thousand for each tax year. There are a number of factors that determine the rate. The rate for 2016 will not be set until at least mid-October.

## 2017 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 for 2016. We have utilized this same projection for 2017 for now. Revenue projections continue to be adjusted throughout each year until September when the final revenue projections are submitted to allow the tax rate to be set.

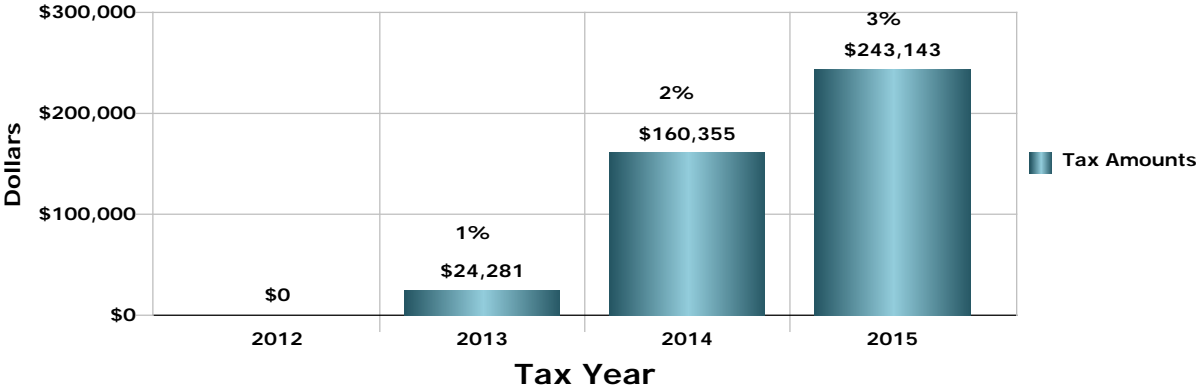
### Taxes Committed



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. The amount of taxes committed will be set when the tax rate is set.

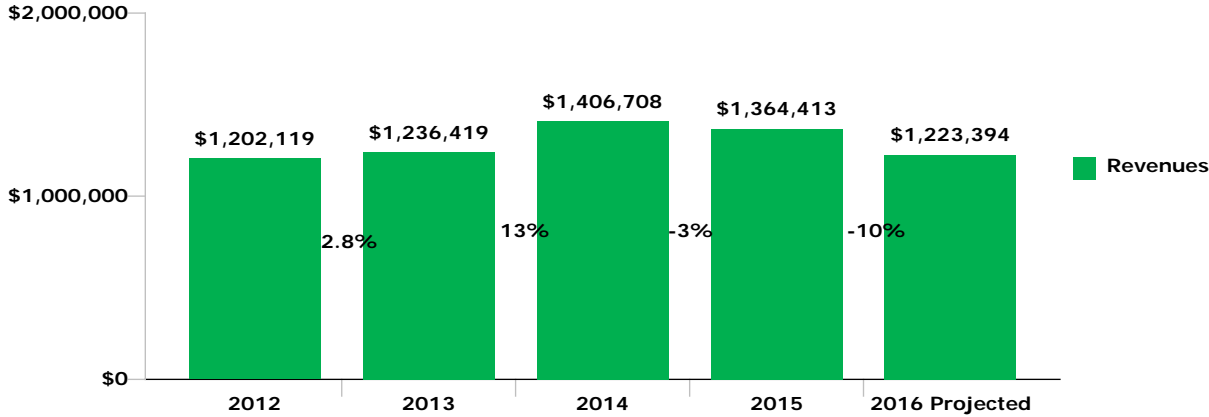
This chart shows the amount of taxes for a given tax year and the total amount of taxes owed to the town. As you can see the amount of taxes owed in comparison to the total tax levy is comparatively low.

### Taxes Outstanding





## Revenues other than Property Taxes



This chart depicts the actual revenues for 2012, 2013, 2014 and 2015 other than property taxes. The numbers for 2016 are projected conservatively. The percent change between each year is depicted as well.

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