

SUNAPEE BUDGET PUBLIC HEARING
7:00PM Town Office Meeting Room
Tuesday January 10, 2017

Present: Josh Trow, Chairman, Suzanne Gottling Vice Chairman, John Augustine, Fred Gallup and Donna Nashawaty, Town Manager

Absent: Shane Hastings

See attached sign in sheet.

Chairman Trow opened the meeting at 7:00 PM

2017 public budget hearing, required to have one public hearing and two actual voting hearings, February 6th and March 14th.

Rules of the budget for 2017; Selectmen will hold a public hearing, notice is given 7 days in advance, we posted two notices, one in December and one in January. All purposes and amounts must be discussed and disclosed at the hearing, there are handouts, has entire budget, has warrant articles with narratives. The budget for the town can only be finalized by the BOS after a public testimony. This being a public hearing, the Board opens the public hearing to allow public comment. At the close of public comment, the Board decides which budget is sent onto the deliberative session. This is only the town portion of the tax rate.

See attached presentation pages.

Ron Kulpa, Chairman of the (ABC) Advisory Budget Committee summarized the 2017 ABC Budget Recommendations that they presented to the BOS.

Chairman Trow thought the presentation given by Donna Nashawaty was a good overview. Chairman Trow stated that this is the first budget year with the new ABC Committee and in his opinion it worked out relatively well. Selectman Gallup felt the ABC Committee worked very well this year and had a good relationship between all the members. Selectman Gallup said there is a follow-up meeting of the ABC Committee in February to see what changes can be made to help the process work better or run more efficiently. Selectman Augustine made the point, that in his opinion, there still is work to do as a group to try to bring the budget numbers closer to the reality of the actual spending. Selectman Augustine would like to see, as a Board, commit to whatever money didn't get spent in 2016, the full amount be given to the taxpayers. Chairman Trow said that there is a fund balance estimate set by the Government Finance Office, which has a recommendation of 5% to 17%, the Town decided it wanted to keep 8% as it's fund. At this point he thinks the fund is at 9 something or close to 10%. Chairman Trow stated that every year, that he's aware of, \$300,000 from Fund Balance has been applied back to offset the tax rate, maybe the Board needs to look at it to see if it makes sense.

After more discussion regarding the percentage to keep in fund balance by several residents, the Board will review the Town Fund Balance Policy. The Budget Public Hearing was closed at 8:23PM

The Board reviewed, numbered and recommended the warrant articles.

Meeting adjourned at 8:50PM

Submitted by,

Barbara Vaughn

Administrative Assistant

Approved: _____

Joshua Trow, Chairman

Suzanne H. Gottling, Vice Chairman

John Augustine

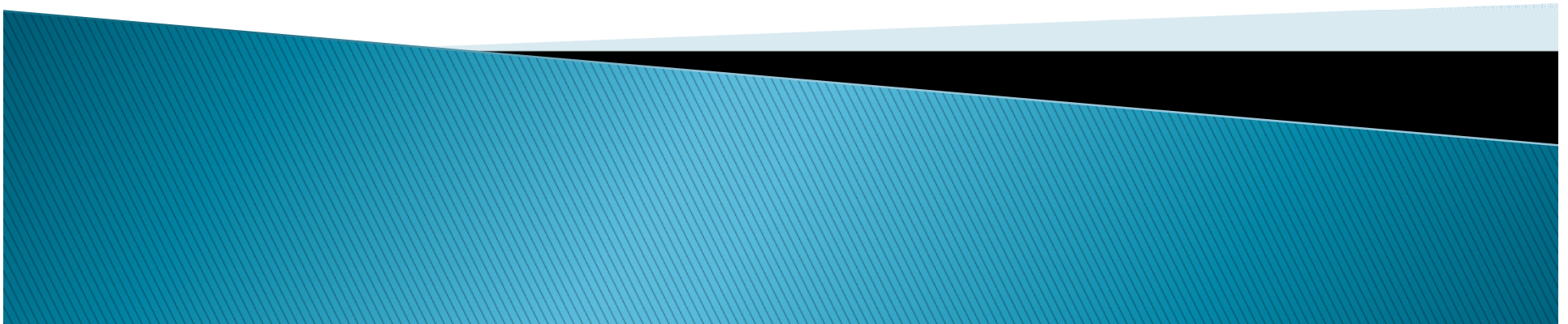
Frederick Gallup

Shane Hastings

2017 Town of Sunapee

Budget Hearing

Required to hold one public hearing on the budget



Rules of Budget for 2017

- ▶ Selectmen hold the public hearing
- ▶ Notice given at least seven days in advance
- ▶ All purposes and amounts must be either discussed or disclosed at the hearing
- ▶ Budget for Town can only be finalized by BOS at conclusion of public testimony
- ▶ Remember this is only the Town Portion of the Tax Rate



Gross Budgeting

- ▶ State law requires all appropriations to be stated on “gross basis”
- ▶ “Raise and appropriate” is a required clause
- ▶ DRA will invalidate appropriations that fail to follow rules
- ▶ Separate warrant articles not included in operating budget article

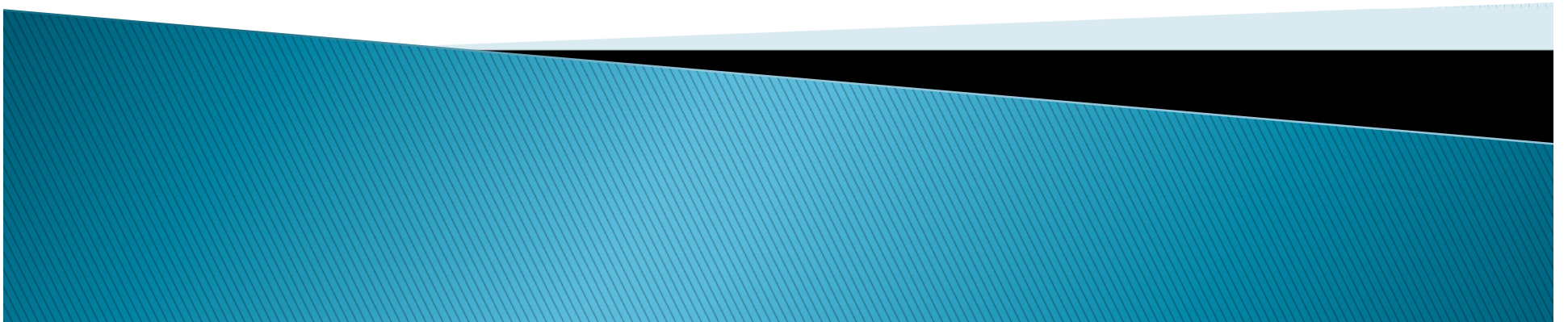


Sample of "Line Items"

MS-6		Budget - Town of _____					FY _____
1	2	3	4	5	6	7	
Acct. #	PURPOSE OF APPROPRIATIONS (RSA 32:3,V)	OP Bud. Warr. Art.#	Appropriations Prior Year As Approved by DRA	Actual Expenditures Prior Year	Appropriations Ensuing FY (RECOMMENDED)	Appropriations Ensuing FY (NOT RECOMMENDED)	
GENERAL GOVERNMENT			XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	
4130-4139	Executive						
4140-4149	Election, Reg. & Vital Statistics						
4150-4151	Financial Administration						
4152	Revaluation of Property						
4153	Legal Expense						
4155-4159	Personnel Administration						
4191-4193	Planning & Zoning						
4194	General Government Buildings						
4195	Cemeteries						
4196	Insurance						
4197	Advertising & Regional Assoc.						
4199	Other General Government						
PUBLIC SAFETY			XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	
4210-4214	Police						
4215-4219	Ambulance						
4220-4229	Fire						
4240-4249	Building Inspection						
4290-4298	Emergency Management						
4299	Other (Incl. Communications)						
AIRPORT/AVIATION CENTER			XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	
4301-4309	Airport Operations						
HIGHWAYS & STREETS			XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	
4311	Administration						
4312	Highways & Streets						
4313	Bridges						
4316	Street Lighting						
4319	Other						
SANITATION			XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	
4321	Administration						
4323	Solid Waste Collection						
4324	Solid Waste Disposal						
4325	Solid Waste Clean-up						
4326-4329	Sewage Coll. & Disposal & Other						

MS-6
Rev. 07/07

2017 Budget



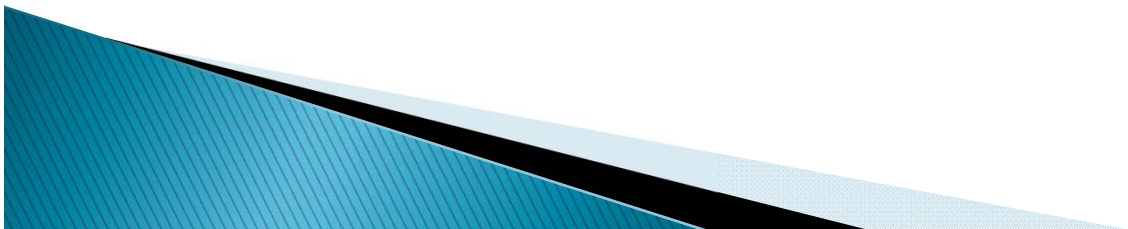
Operating Budget Process

- ▶ Operating Budget is overall same as 2016 with adjustments as follows:
 - Normally increase to salary is to use the number that comes out mid November (October change from previous year) as the Northeast CPI-U (1.6%)
 - Board of Selectmen reviewed actual results of New London and Moultonborough pay studies that outside professionals completed.
 - Decided on a new pay table and placed employees on table without going under.
 - For 2017 employees with positive performance review receive steps according to the table with a cost of \$ \$29,978.15
 - Cost of Living Proposed for 2017 .8% at a cost of \$17,539



Operating Budget Process

- Overall Health Insurance Premiums increased by 3.2% net increase 0 as change of policy and change of employees coverage made net increase of 0 to the operating budget.
- Changes in Employee status for 2017 proposed budget adds 8 account clerk hours per week and 22 additional hours per week for library staff, \$21,515 (9 months)
- 2017 proposed Warrant Articles raise \$485,000 in new tax dollars:
 - 2016 Warrant articles raised \$250,000:
 - 2015 which were at 105,000



Operating Budget Process

Larger Contract Services

- ▶ New London Dispatch decrease of \$6,627
- ▶ Software improvements/annual contracts \$1,800
- ▶ Joint Assessing increase of \$3,200
- ▶ Ambulance: level funded, last year made change to house part time the ambulance service in our Safety Services Building

Relatively Stable unlike past years where large variances



Operating Budget Process

- NH Retirement saw an increase for 2017 of \$17,485
- 2017 has the full debt service for the operating budget portion of Perkins Pond interconnect with an increase of \$17,833 for 2017
- Increase in 2017 operating budget up \$114,566 or 1.6%
- I don't want to predict a certain amount of grand list value increase, however there was still a significant amount of unfinished and new building/additions that warrant some basic increase. If all the warrant articles presented passed the maximum increase would be \$.39 on Town Rate (using a formula that shows no Grand List increase)



ABC Committee Report

- ▶ Ron Kulpa: Chair of the Town ABC Committee
 - David Cahill: Vice Chair

Kevin Cooney

Veronica Hastings

Betty Ramspott

Scott Hazelton

Josh Trow

John Augustine

Shane Hastings

John Brandolini

Mary Danko

Dan Ruggles

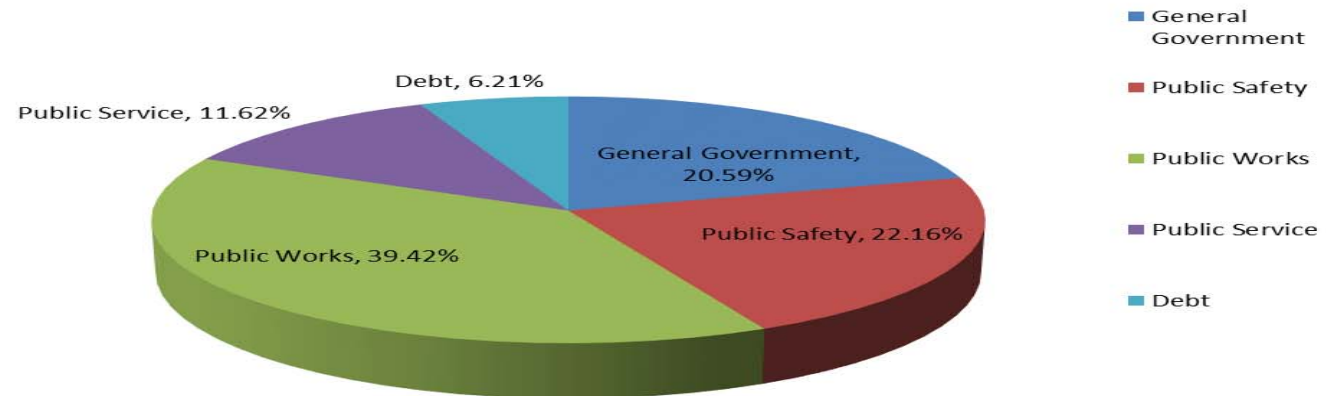
Paul Skarin

Sue Gottling

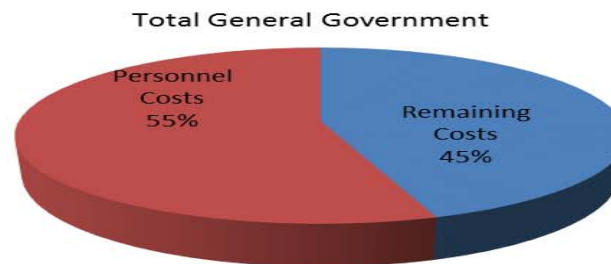
Fred Gallup



Components of General Government 2016



Personnel vs remaining costs



Default Budget

\$7,041,709

- ▶ Because we are a SB 2 community a default budget must be included with operating budget article and disclosed at Public Hearing
- ▶ Default budget is not last years operating budget
- ▶ An operating budget is total appropriations excluding special and separate warrant articles and a default budget is the amount of the same appropriation with some adjustments.
 - Increased by Debt Service, contracts or other obligations previously incurred or mandated by law
 - Reduced by one time expenditures contained in the operating budget



Relationship of Default Budget to Operating Budget

- ▶ Normally would not compare as differences more obvious
- ▶ As I explained default is last year's budget with adjustments. Includes entire gross budget adjusted by default rules. Included is Water, Sewer and Hydro even though they are enterprise funds adjusted by the same default rules.
- ▶ Difference between Operating Budget Proposed and Default Budget is \$60,931
 - General Government w/o utilities \$88,335



Warrant Articles

- ▶ Articles for the warrant fall into a couple of categories
 - Capital Reserve: In and Out
 - Money is raised and appropriated annually to fund Capital Reserve accounts in order to balance the tax rate for large expenses that in a single year would greatly impact the tax rate
 - Money can only be spent from a Capital Reserve Account for the purpose that the fund was established.
 - Only town meeting can set up a Capital Reserve Account and designate agents to expend
 - If no agent to expend then must come to Town Meeting to take the money out for the specific purpose



Warrant Article explanation cont.....

- ▶ Appropriations that may need individual explanations
- ▶ Articles that ask to spend fund balance money (amount that is carried from one year to the next)
- ▶ Article that could be included in the operating budget but not sure how the voters feel and don't want to jeopardize the operating budget passing.w



2017 Town Warrant Articles Summary

INFORMATIONAL COLUMNS

Article	Description	Amount	New Tax Dollars raised in 2017	Not Recommended	Revenue Offset/No increase to tax rate
	Purchase and Equip new Highway truck from Cap Reserve	\$175,500	0		\$16,500-\$159,000
	Add to Highway & Transfer Capital Reserve	\$135,000	\$135,000		
	Add to Fire Equipment Capital Reserve	\$115,000	\$115,000		
	Purchase Forestry Truck	\$150,000			\$150,000
	Put Wendall Marsh South into Town Forest	\$0			
	Add to Bridges Capital Reserve	\$100,000	\$100,000		
	Bridges Capital Reserve Agent to expend				
	Add to Used Highway equipment Capital Reserve	\$25,000	\$25,000		
	Add to Town Buildings Maintenance Capital Reserve Fund	\$40,000	\$40,000		
	Sestercentennial Fund from Fund Balance	\$15,000			\$15,000
	Expendible reserve for health deductibles agents to expend				
	Add to Milfoil Control Non Capital Reserve Fund	\$5,000	\$5,000		
	Conservation for Capital Reserve	\$55,000	\$55,000		
	Capital Reserve for Software/Technology	\$10,000	\$10,000		
	Construct a cold storage building phase 1 of 3 from Hydro Revenue fund	\$45,000			\$45,000
	Cemetery Trust from Fund balance (2016 lot sales)	\$3,200			\$3,200
	TOTALS	\$873,700	\$485,000		\$388,700

*\$673,930 new tax dollars raised in 2007

*\$408,350 new tax dollars raised in 2008

*\$407,300 new tax dollars raised in 2009

*\$348,152 new tax dollars raised in 2010

*\$358,300 new tax dollars raised in 2011

*\$335,200 new tax dollars raised in 2012

*\$607,300 new tax dollars raised in 2013

*\$370,000 new tax dollars raised in 2014

*\$ 105,000 new tax dollars raised in 2015

*\$ 250,000 new tax dollars raised in 2016

NOTE: Based on this plan, \$485,000 is regular Capital recurring article

Town Tax Rate Calculation

▶ 2016 TOWN PORTION

▶ Appropriations	\$ 7,595,174
▶ Less: Revenues	\$ -3,841,844
▶ Less: Shared Revenues	\$ 0
▶ Add: Overlay	\$ 35,593
▶ Add: War Service Credits	<u>\$ 92,250</u>
▶ Net Town Appropriation	\$3,881,173
▶ Town Tax Rate	\$3.22



Calculating a tax rate

- ▶ Need to know Grand List
 - 2016 Grand List including utilities
 - \$1,205,571,984
- ▶ Net amount to be raised by taxes
 - \$3,881,173
- ▶ Divide by the grand list leaving off the thousands
- ▶ Nets the \$3.22 from 2016

2017 Town Tax Rate Calculation

▶ Appropriations	\$	7,102,640
▶ Proposed Warrant Articles	\$	485,000
▶ Less: Revenues <small>*incl \$300,000 from fund bal</small>	\$	-3,362,591
▶ Less: Shared Revenues	\$	0
▶ Add: Overlay	\$	35,000
▶ Add: War Service Credits	\$	92,250
▶ Net Town Appropriation	\$	4,352,299
▶ Town Tax Rate	\$	\$3.61

*Rate increase \$.39 using 2015 property values



Deliberative Session

- ▶ **When**
 - Tuesday, February 7, 2017 7:00PM
- ▶ **Where**
 - Sunapee Middle High School Gymnasium
- ▶ **Why**
 - To discuss and to amend, if deemed appropriate articles X thru XX

**Voting by Ballot, Tuesday March 14, 2017 at the
Sherburne Gymnasium from 8:00 am to 7:00 PM**



Warrant Article 1

- ▶ Election of Town Officers
- ▶ Filing period is January 25 thru February 3



QUESTIONS

- ▶ Any questions on the Slide show or discussion of what is included in the budget can be asked with an email to the Town Manager at Donna@town.sunapee.nh.us or please call Donna Nashawaty at 763-2212
- ▶ Thanks
- ▶ Donna

