

Fiscal Year 2024 Budget Public Hearing

**7:15 PM
January 8, 2024**



Purpose

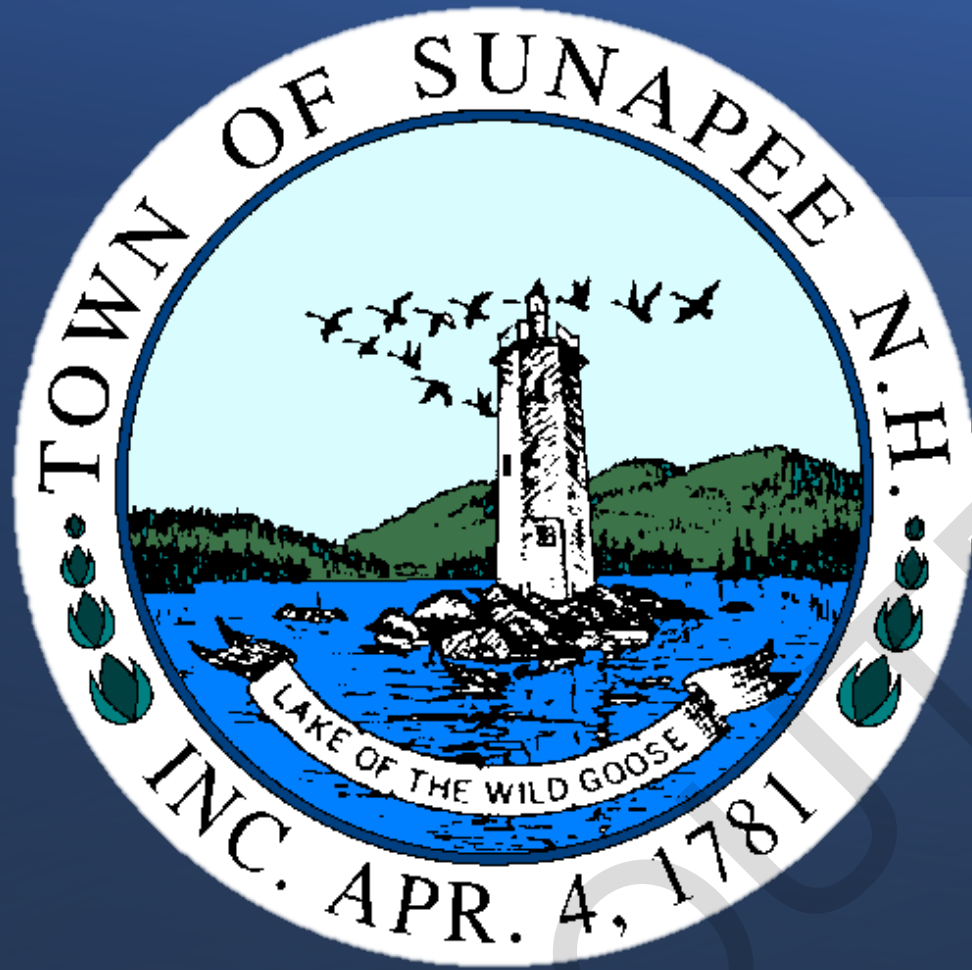
- Demonstrate how the Town of Sunapee's Municipal team has designed the Fiscal Year 2024 budget to strike a balance between keeping tax increases low and providing enhanced resident-centered services.
- Demonstrate how, under the guidance and direction of the Town of Sunapee Selectboard, we have brought the Fund Balance into equilibrium.
- Highlight how the team is introducing course corrections that will better place isolate us from dramatic shifts in our tax rate while strengthening our processes and improving services.

Agenda

Municipal Budget Process
What Makes Up Our Tax Rate
Fiscal Year 2024 Budget Municipal Proposal
Estimated Fund Balance
Estimated Tax Impact
Proposed Warrant Articles
Summary
Discussion
Next Steps

Executive Summary

- Proposed operating budget of \$7,852,338 is a 6.9% increase over the prior year's budget.
- Proposed operating budget of \$7,852,338 is a 7.26% increase over the default budget.
- Proposed warrant articles total \$2,992,150, which includes \$564,250 of recurring additions to the capital reserve funds, \$258,000 to a new reserves/programs, and the balance having a revenue offset.
- If both the operating budget and all warrant articles are approved at Town meeting, we estimate a .29 cent increase in the municipal tax rate.



Rules and Regulations Governing the Municipal Budget Process

Municipal Budget Rules

- Notice of the Selectboard hosting the Budget Public Hearing must be given at least seven days in advance.
- All purposes and amounts must be either discussed or disclosed at the Budget Public Hearing.
- The budget to be sent forward to the ballot can only be finalized by the Selectboard at the conclusion of public testimony.
- After the Budget Public Hearing, no new purpose or amount can be added to the proposed budget unless that purpose or amount was “discussed or disclosed” at the hearing, or unless a further hearing is held.

Municipal Budget Rules

- An operating budget is total appropriations excluding special and separate warrant articles.
- State law requires all appropriations to be stated on a “gross basis”.
 - All anticipated revenue from all sources, not just tax money, must be shown as offsetting revenues.
 - Expenditures presented without deductions of assets.
- RSA 32 requires the budget to include comparative columns showing the prior year’s appropriations and the prior year’s expenditures.
 - DRA forms contain the information for the comparative columns.
- A listing of all separate warrant articles must be disclosed.

Municipal Budget Rules

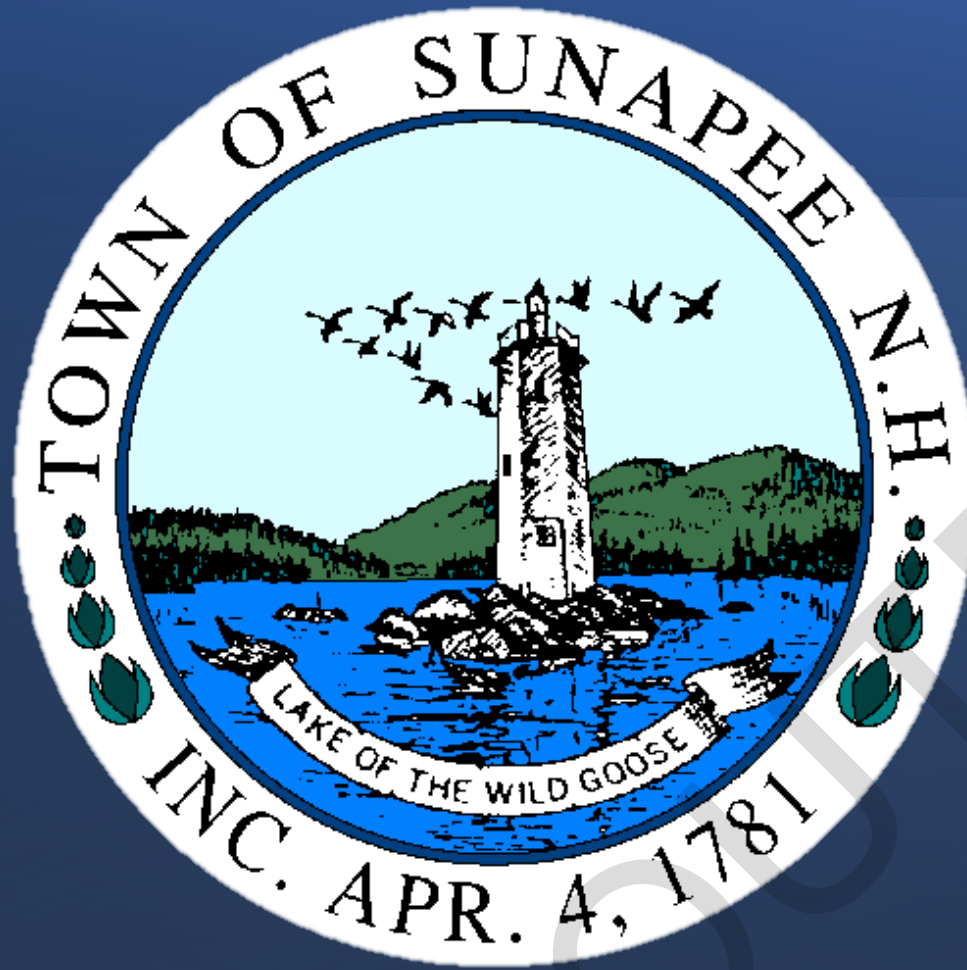
- Separate warrant articles are not included in the operating budget article.
- “Raise and appropriate” is a required clause.
- Special warrant articles require a notation of whether they are recommended by the governing body (the Selectboard).
- Five Types of Special Warrant Articles
 1. Petitioned warrant articles;
 2. Articles calling for issuing bonds or notes;
 3. Appropriations into or out of separate funds, such as capital reserves or trust funds;
 4. Any other separate articles designated and labeled by the governing body as “special,” “nonlapsing”, or “nontransferable;” and
 5. An appropriation of an amount for a capital project.

Municipal Budget Rules

- In SB 2 communities, a default budget must accompany an operating budget and be disclosed at the Budget Public Hearing.
- The default budget is last year's budget with some adjustments:
 - Increased by Debt Service, contracts, or other obligations previously incurred or mandated by law.
 - Reduced by one-time expenditures contained in last year's operating budget.

Municipal Budget Rules

- The law requires a disclosure of fund balance in the town report or posted at the annual meeting.
- Fund Balance is defined as “an account on the town’s balance sheet, accounting for lapsed appropriations, assets, and liabilities; may be retained, used to reduce the tax rate, or appropriated by the legislative body.”
- According to the 2012 Town of Sunapee’s Fund Balance Policy, the Town of Sunapee will strive to maintain an unassigned fund balance in its General Fund equal to 5 – 17% of the total appropriations of the community.

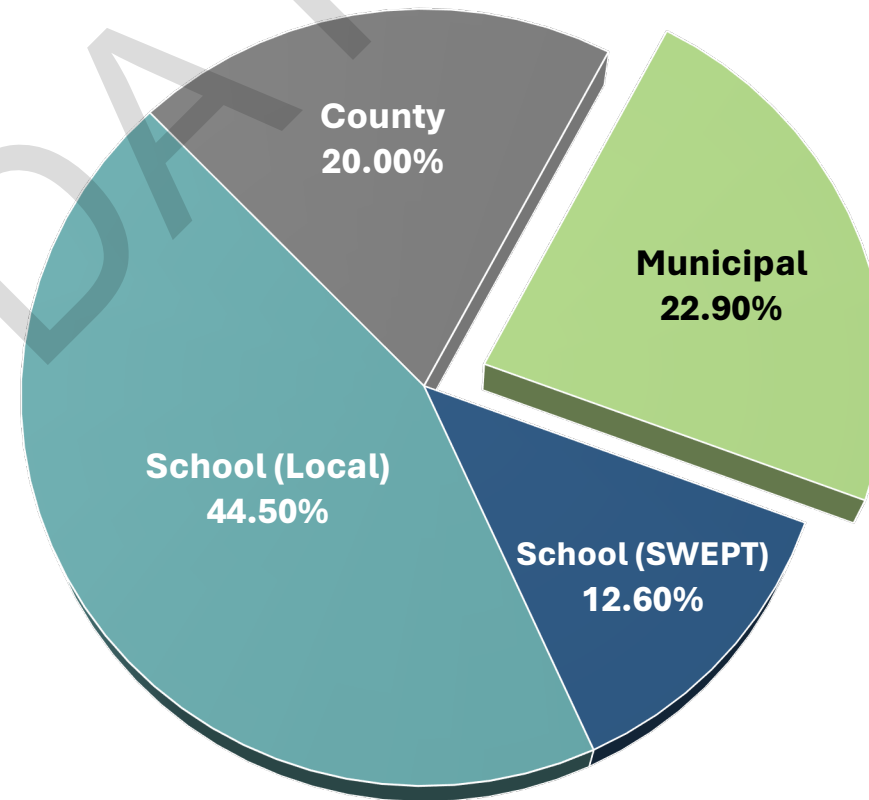


What Makes Up Our Tax Rate

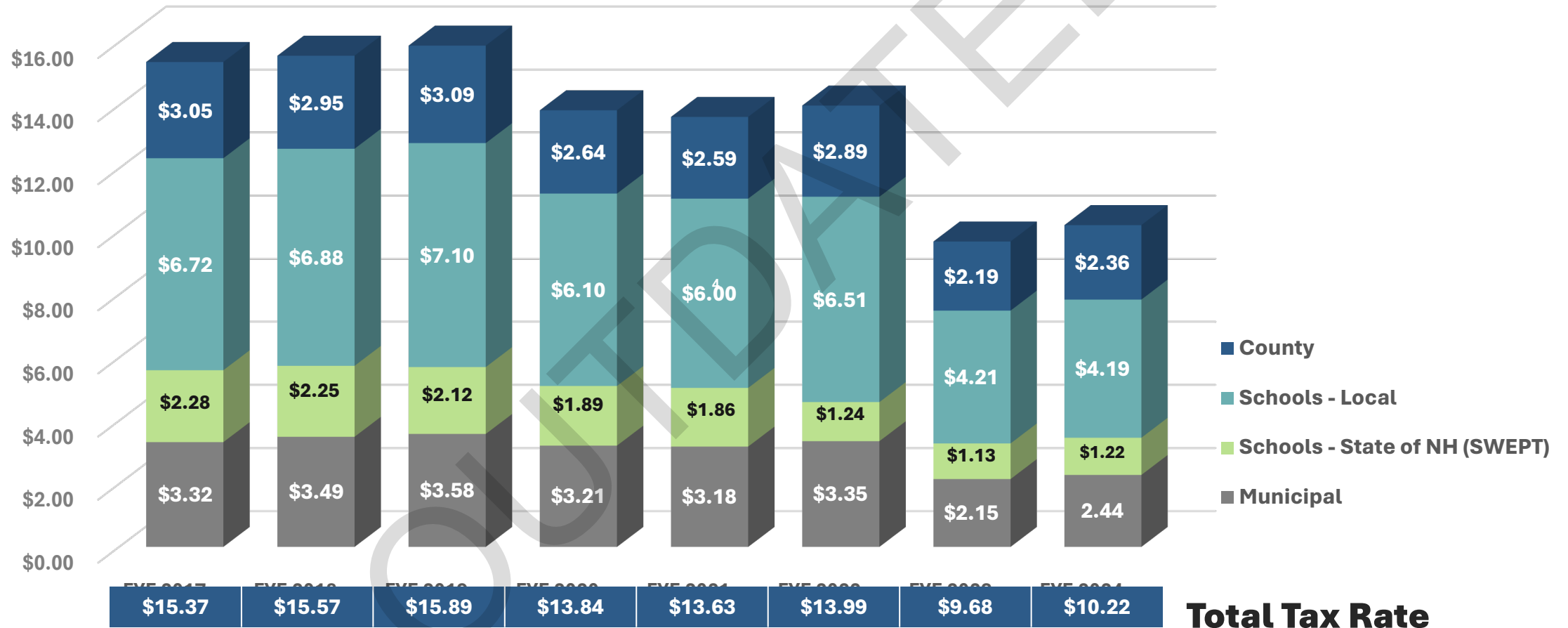
What Makes Up Our Tax Rate?

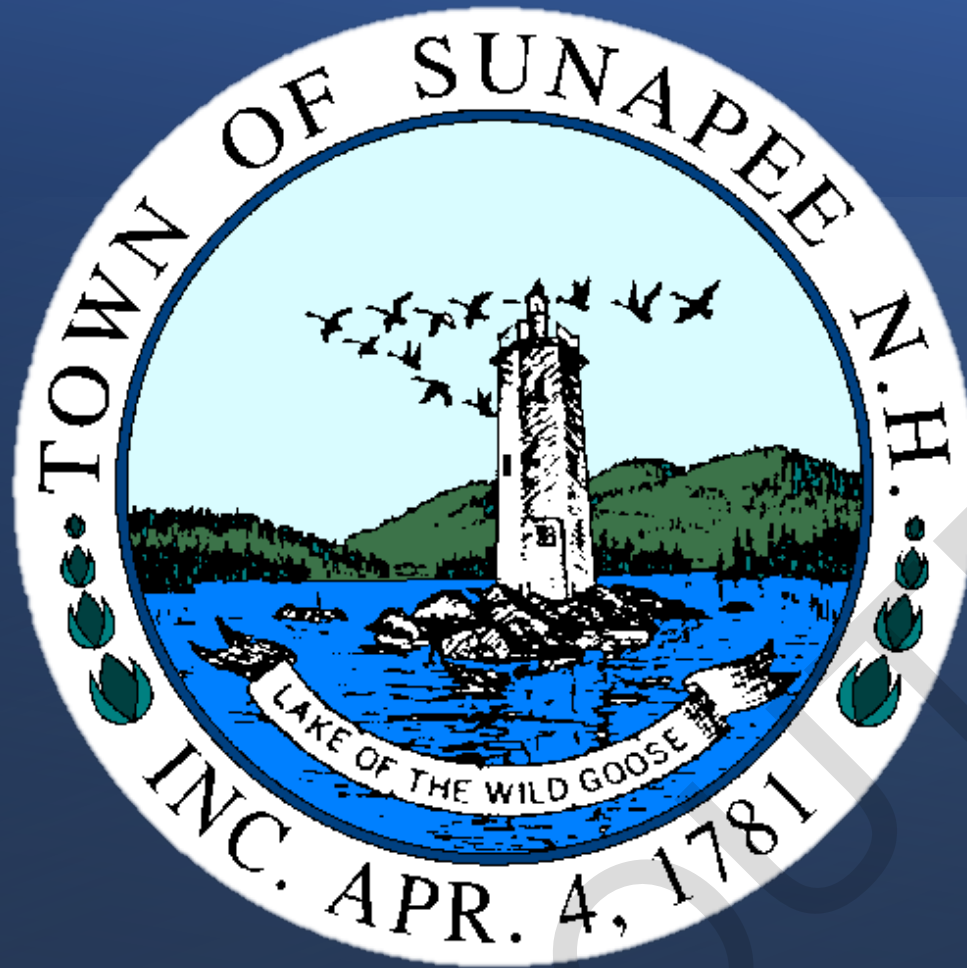
Average Tax Rate Apportionment (2018-2023)

- Municipal
- School - State of NH (SWEPT Tax)
- School - Local
- County



Sunapee's Tax Rate Over Time





Fiscal Year 2024 Proposed Budget

What Will This Municipal Budget Accomplish?

Ensures current levels of service are maintained

Attempts to keep pace with increases in:

- Health Insurance 19.6%
- Commodities
- Utilities
- Software Programs with Revenue Offsets

Policy and Personnel Changes



Increase Police Department On-Call Pay from \$50.00 per shift to \$75.00 per shift



Increase Highway Department, Water and Sewer Department On-Call Pay from \$100 per week to \$150 per week



Gardner's Club and Sunapee Seniors Funding Approach



Organizational Management Changes in Planning and Zoning



Continued Growth of Buildings and Grounds to include Recreation Spaces



Compensation Study



More Rigorous Performance Evaluation Process

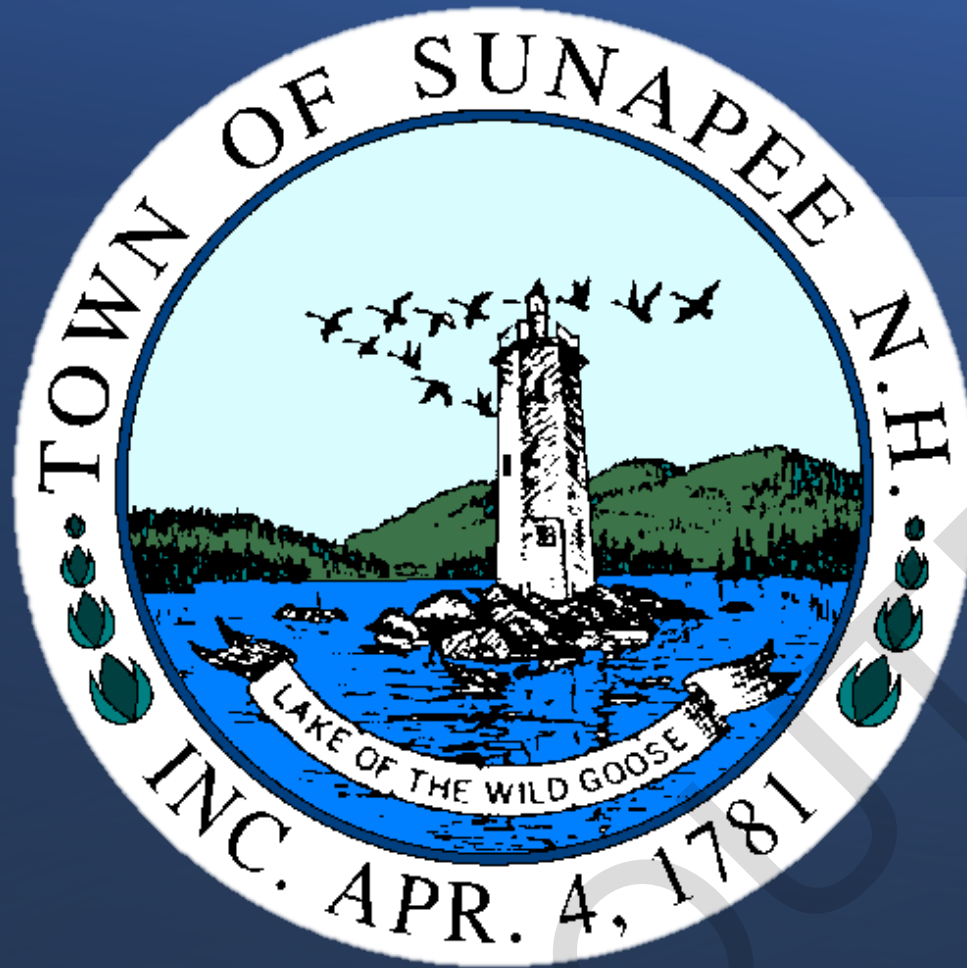
Topline: FY 2024 Budget Proposal

Total Municipal Appropriations

Fund	2023 Voted Appropriated	2024 Fund Proposed	% Change
General Fund	\$7,345,054.30	\$7,852,338.28	6.91%
Hydro	\$227,683.13	\$273,481.75	20.1%
Water / Sewer	\$1,972,325.83	\$1,990,893.73	0.94%
Warrant Articles / Bonds	\$2,848,300.04	\$2,992,150.00	5.05%
TOTAL	\$12,393,363.30	\$13,108,863.76	5.77%

DEFAULT BUDGET

Fund	2024 Default Budget	2024 Proposed	% Difference
General Fund	\$7,320,694.12	\$7,852,338.28	7.26%
Hydro Fund	\$227,683.00	\$273,481.75	20.12%
Water/Sewer Department	\$1,972,325.83	\$1,990,893.73	.94%
Total	\$9,520,702.95	\$10,116,713.76	6.26%



Fiscal Year 2024 Proposed Warrant Articles

2024 PROPOSED WARRANT ARTICLES

MONETARY	REOCCURRING WARRANT ARTICLES	Description	Amount Approved In 2021	Amount Approved In 2022	Amount Approved in 2023	Amount Recommended for 2024	Revenue Offset No Increase to Tax Rate	New Tax Dollars Raised in 2024	Estimated Balance as of (8/30)	Tax Increase \$ (per \$1000)
		Add to Fire Apparatus & Equipment	\$115,000.00	\$115,000.00		\$120,750.00		\$120,750.00	\$721,332.94	\$0.06
		Add to Highway Transfer Station Capital Reserve	\$135,000.00	\$135,000.00	\$135,000.00	\$141,750.00		\$141,750.00	\$174,097.00	\$0.06
		Add to Used Highway Equipment Capital Reserve	\$25,000.00	\$25,000.00	\$25,000.00	\$26,250.00		\$26,250.00	\$43,478.82	\$0.01
		Add to Town Buildings Maintenance	\$40,000.00	\$40,000.00	\$20,000.00	\$50,000.00		\$50,000.00	\$132,233.61	\$0.02
		Add to Town Road Bridges Capital Reserve	\$50,000.00	\$50,000.00	\$100,000.00	\$105,000.00		\$105,000.00	\$164,616.52	\$0.04
		Add to Highway Garage Infrastructure	\$50,000.00	\$50,000.00		\$52,500.00		\$52,500.00	\$101,466.16	\$0.02
		Add to Milfoil Control Non-Capital Reserve Fund	\$5,000.00	\$5,000.00	\$5,000.00	\$8,000.00		\$8,000.00	\$10,923.23	\$0.00
		Cemetery From General Fund to Cemetery Trust Fund	\$3,200.00	\$3,250.00	\$3,800.00	\$4,200.00	Yes		\$75,193.84	\$0.00
		Conservation Fund	\$55,000.00	\$40,000.00	\$1,500.00	\$10,000.00		\$10,000.00	\$139,189.13	\$0.00
		Veteran's Field Capital Reserve Fund			\$50,000.00	\$50,000.00		\$50,000.00	\$69,170.59	\$0.02
		Subtotal	\$478,200.00	\$483,250.00	\$340,300.00	\$588,450.00		\$584,250.00	\$1,750,856.02	\$0.24
	New Initiative Warrant Articles	Full-Time Fire Personnel				\$420,000.00	Yes			\$0.00
		Establishing a Dock and Boat Launch Repair and Maintenance Capital Reserve Fund				\$200,000.00		\$200,000.00		\$0.08
		Perkins Pond Grant Watershed Management Plan Bond				\$100,000.00	Yes			\$0.00
		Full-Time Recreation Director				\$58,000.00		\$58,000.00		\$0.02
		Garage for the freight liner at the w treatment plant				\$250,000.00	Yes			\$0.00
		Dump Truck for Water/Sewer Department				\$125,000.00	Yes			\$0.00
		Water Line				\$1,050,000.00	Yes			\$0.00
		FEMA Grant Money Received to be redirected to Town Road Bridges Capital Reserve Fund				\$20,700.00	Yes			\$0.00
		Roll Off Truck For Transfer Station from Highway Transfer Capital Reserve Plan				\$200,000.00	Yes			\$0.00
	Subtotal				\$2,423,700.00		\$258,000.00		\$0.11	
NON-MONETARY		Establish Drug Forfeiture Special Revenue Fund								
		Public Safety Revolving Fund								
		Compliance RSA 31:39 c, Informal Enforcement Procedures								
		Adopt RSA 41:11-a allowing the Selectboard to enter into a lease of up to five years.								
						\$2,982,150.00		\$822,250.00	\$1,750,856.02	\$0.34

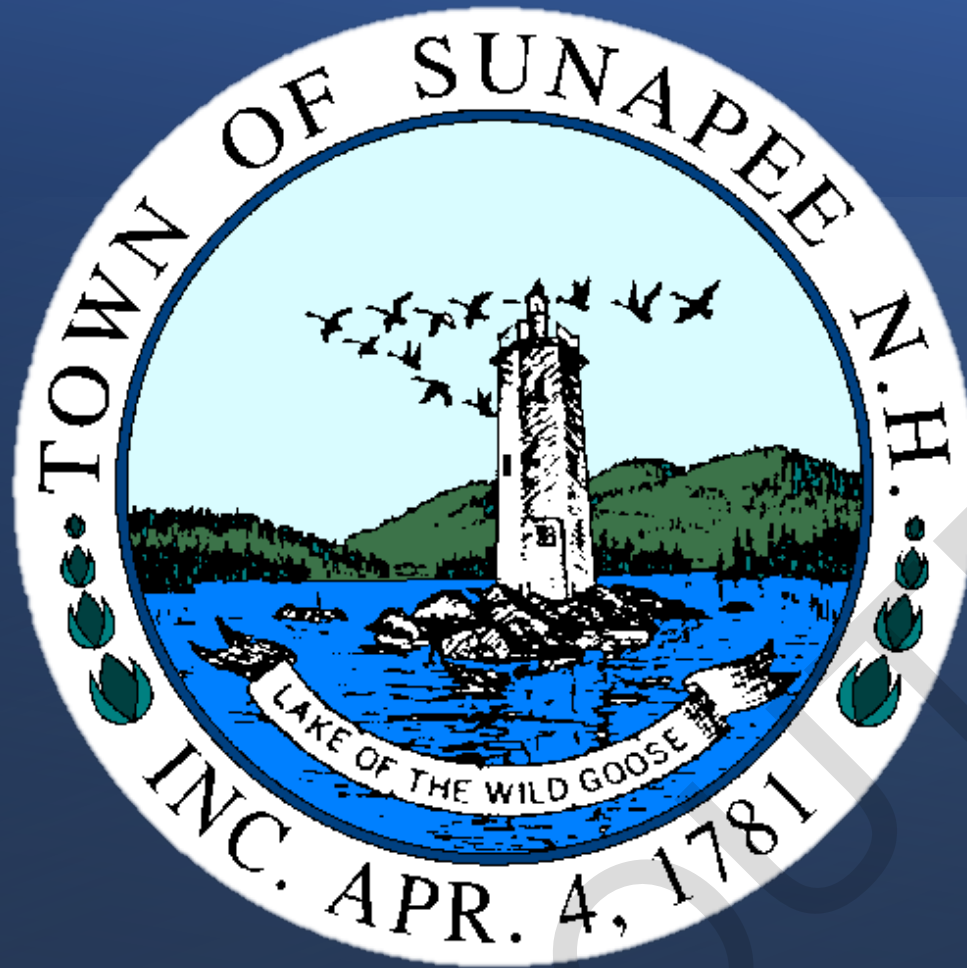
WARRANT ARTICLES

2024 WARRANT ARTICLES

2024 proposed Warrant Articles in the amount of \$2,992,150 would raise \$822,250 in new tax dollars, \$2,169,900 have revenue offset.

APPROPRIATION HISTORY

- 2023 Warrant Articles raised \$361,500
- 2022 Warrant Articles raised \$445,000
- 2021 Warrant Articles raised \$500,000

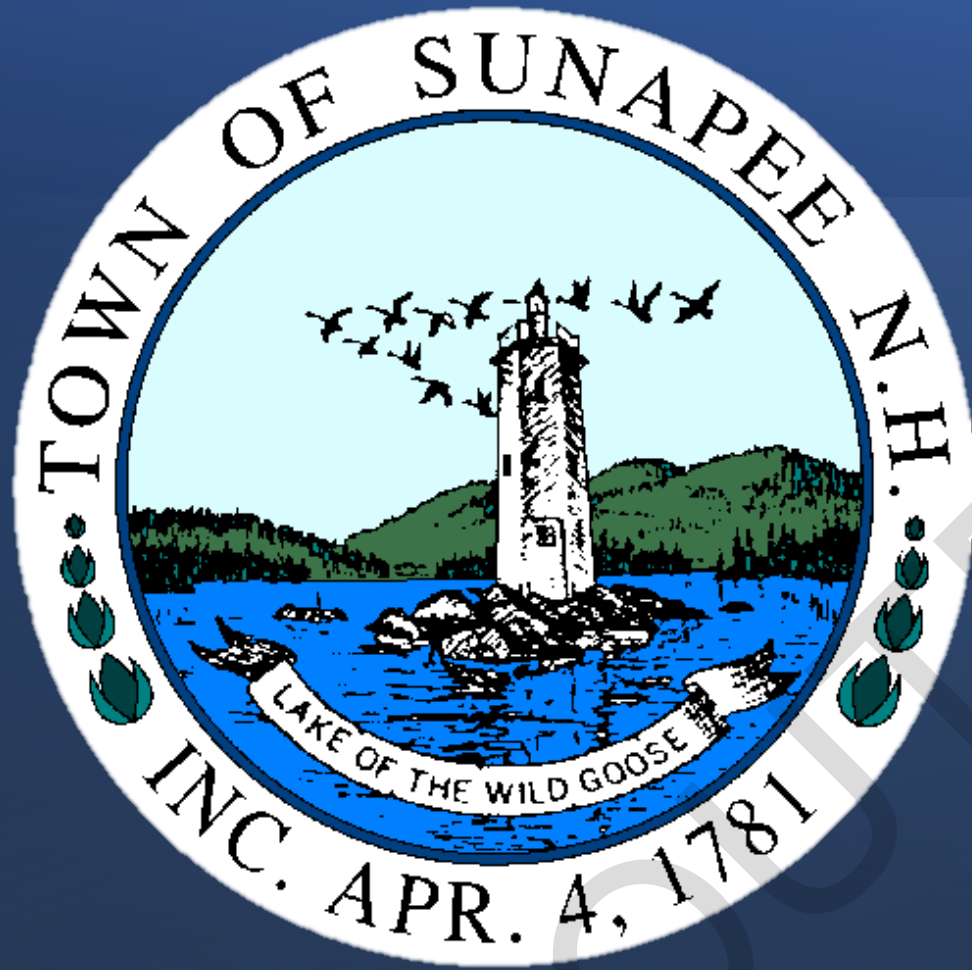


Fund Balance Estimates

Fund Balance Estimate – FYE 2024

Range of Target Unassigned Fund Balance	5%	7%	9%	11%	13%	15%	17%
Total Appropriations: \$24,788,459.17	\$ 1,239,422.96	\$1,735,192.14	\$ 2,230,961.33	\$ 2,726,730.51	\$ 3,222,499.69	\$ 3,718,268.88	\$ 4,214,038.06
Available Fund Balance to Reduce Taxes	\$ 674,504.04	\$ 178,734.86	\$ (317,034.33)	\$ (812,803.51)	\$ (1,308,572.69)	\$ (1,804,341.88)	\$ (2,300,111.06)

Estimated Total Fund Balance:	\$ 1,913,927	MS-535 (\$850,000 deducted)
	7.7%	Fund Balance Retention
	\$ 400,000	Estimated Increase (Decrease)
	\$ 2,313,927	Estimated Total
	9.3%	Fund Balance Retention



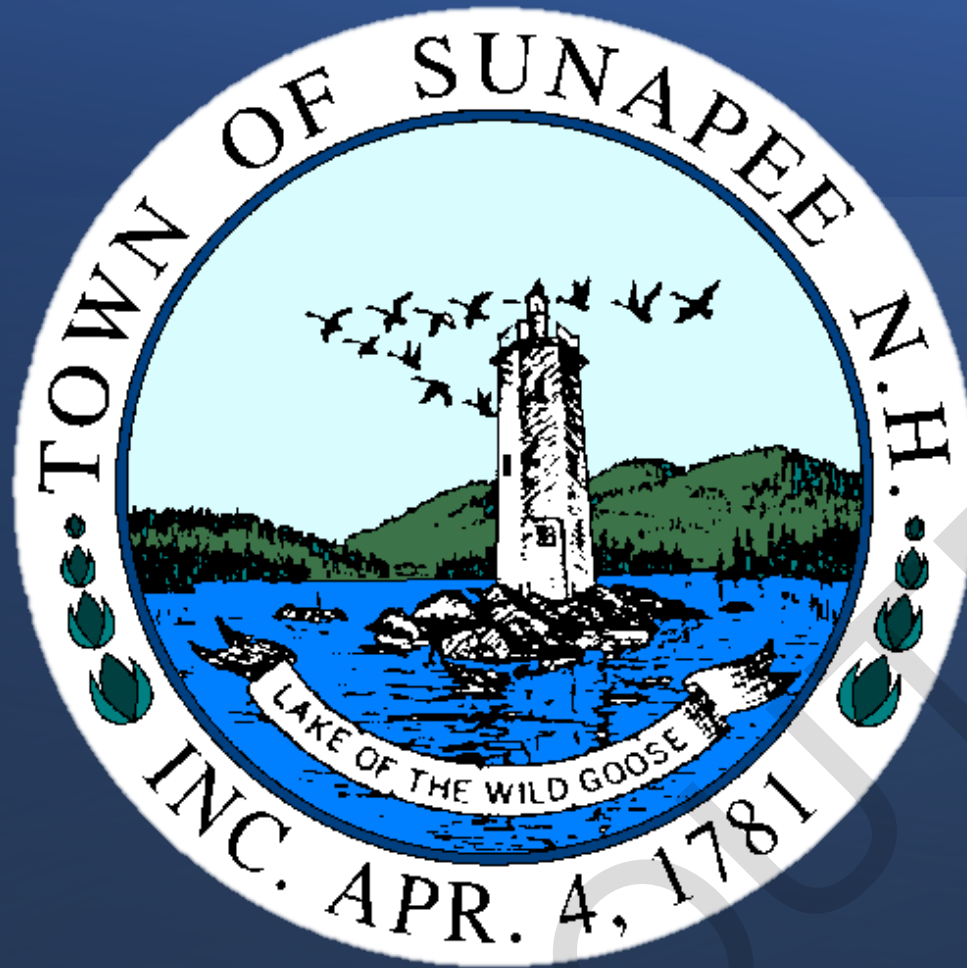
Estimated Tax Impact

FY2024 Estimated Tax Effort (Town)

	FY23	FY24
Total Appropriation	\$ 12,393,363.00	\$13,108,863.76
Net Revenues (Not Including Fund Balance)	\$ (6,512,037.00)	\$ (6,967,879.59)
Fund Balance Voted Surplus	\$ (3,800.00)	\$ (24,900.00)
Fund Balance to Reduce Taxes	\$ (850,000.00)	\$ (400,000.00)
War Service Credits	\$ 75,000.00	\$ 85,000.00
Special Adjustment		-
Actual Overlay Used	\$ 45,819.00	\$ 45,819.00
Net Required Local Tax Effort	\$ 5,148,345.00	\$ 5,846,903.17

FY2024 Estimated Tax Effort (Town, Education, County)

Appropriations	Amount	Valuation	Tax Rate
Municipality Appropriation	\$ 5,846,903.17	\$ 2,396,653,812	\$ 2.44
Local School Appropriation	\$ 10,049,253.00	\$ 2,396,653,812	\$ 4.19
State School Appropriation-SWEPT	\$ 3,229,674.00	\$ 2,647,273,756	\$ 1.22
County Appropriation	\$ 5,662,629.00	\$ 2,396,653,812	\$ 2.36
Total Appropriations	\$ 24,788,459.17		\$ 10.22



Fiscal Year 2024 Proposed Warrant Articles

REOCCURRING ARTICLE

Shall the Town raise and appropriate, as an operating budget, not including appropriations by special warrant articles, nor other appropriations voted separately, the amounts as set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein totaling \$10,116,713.76? Should this article be defeated, the default budget shall be \$9,520,702.95, which is the same as last year, with certain adjustments required by the previous action of the Town of Sunapee or by law; or the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only. ***The Selectboard does recommend this appropriation.***

REOCCURRING ARTICLE

Shall the Town raise and appropriate the sum of **\$120,750.00** to be added to the Fire Apparatus and Equipment Capital Reserve Fund previously established? (There is currently **\$721,332.94** in said reserve fund.) ***The Selectboard does recommend this appropriation.***

REOCCURRING ARTICLE

Shall the Town raise and appropriate the sum of **\$141,750.00** to be added to the Highway and Transfer Station Equipment Capital Reserve Fund previously established? (There is currently **\$174,097.00** in said reserve fund.) ***The Selectboard does recommend this appropriation.***

REOCCURRING ARTICLE

Shall the Town raise and appropriate the sum of **\$26,250.00** to be added to the Used Highway Equipment Capital Reserve Fund? (There is currently **\$43,478.82** in said reserve fund.) ***The Selectboard X recommend this appropriation.***

REOCCURRING ARTICLE

Shall the Town raise and appropriate the sum of \$50,000 to be added to the Town Buildings Maintenance Capital Reserve Fund previously established? (There is currently \$132,233.61 in said reserve fund.) ***The Selectboard does recommend this appropriation.***

REOCCURRING ARTICLE

Shall the Town raise and appropriate the sum of \$105,000.00 to be added to the Town Road Bridges Capital Reserve Fund previously established? (There is currently \$164,616.52 in said reserve fund.) ***The Selectboard does recommend this appropriation.***

REOCCURRING ARTICLE

Shall the Town raise and appropriate the sum of \$52,500.00 to be added to the Highway Garage Infrastructure Improvements Capital Reserve Fund previously established? (There is currently \$101,466.16 in said reserve fund.) ***The Selectboard does recommend this appropriation.***

REOCCURRING ARTICLE

Shall the Town raise and appropriate the sum of \$8,000 to be placed in the Milfoil Control Non-Capital Reserve Fund previously established? (There is currently \$10,923.23 in said reserve fund.) ***The Selectboard does recommend this appropriation.***

REOCCURRING ARTICLE

Shall the Town raise and appropriate the sum of \$4,200.00 to be added to the Cemetery Expendable Trust Fund previously established for the general maintenance and care of burial lots of the Cemeteries, and to authorize the transfer of said sum from the December 31, 2023, Unassigned Fund Balance? (There is currently \$75,193.84 in said trust fund.) ***The Selectboard does recommend this appropriation.***

REOCCURRING ARTICLE

Shall the Town raise and appropriate the sum of \$10,000 to be placed in the Conservation Commission Fund previously established, to be used for conservation purposes in accordance with RSA 36-A? (There is currently \$239,189.13 in said fund.) ***The Selectboard X recommend this appropriation.***

REOCCURRING ARTICLE

Article X: Shall the Town raise and appropriate the sum of up to \$50,000.00 to be placed in the Veteran's Field Capital Reserve Fund previously established? (There is currently \$69,170.59 in said reserve fund.) ***The Selectboard does recommend this appropriation.***

NEW INITIATIVE ARTICLE

Shall the Town raise and appropriate the sum of \$420,000 from a gift intended to support the expansion of the Sunapee Fire Department to full-time coverage (One Full-Time Fire Chief, One Full-Time 24-hour, 365 days a year houseperson, and One 24-hour, 365 days a year per diem position)?

If approved, these positions may remain as part of the operating and default budgets after the termination of the above fund distribution and will have an impact on taxes. ***The Selectboard does recommend this appropriation.***

NEW INITIATIVE ARTICLE

To see if the Town will vote to establish Town Dock and Boat Launch Repair and Maintenance Capital Reserve Fund under the provisions of RSA 35:1 for the purpose of repairing and maintaining the Town's docks and boat launches and to raise and appropriate the sum of \$200,000 to be placed in this fund; further to name the Selectboard as agents to expend from the fund. ***The Selectboard does recommend this appropriation.***

NEW INITIATIVE ARTICLE

Are you in favor of the Town raising and appropriating the sum of up to \$100,000 (gross budget) for the preparation and revisions of a Watershed Management Plan for the Perkins Pond Watershed that will qualify the Town for federal and state funds (“the Project”); and to authorize \$100,000 of such sum to be raised by the issuance of serial bonds and notes under and in compliance with the provisions of the Municipal Finance Act (NH RSA 33:1 et. seq., as amended); to authorize the Select Board to issue and negotiate such bonds or notes to determine the date, maturities, interest rate, and other details of such bonds or notes as shall be in the best interest of the Town; to authorize the Select Board to apply for, accept, and expend any federal, state, or private funds that may become available in respect of the Project, including but not limited to the State Revolving Fund pursuant to RSA 486:14 established for this purpose, to reduce the amount that must be bonded or to pay debt service on such bonds or notes; and further to raise and appropriate the amount of \$2,000 for the initial debt service payment due in the upcoming fiscal year. It is anticipated that the Town will receive up to \$100,000 in principal forgiveness, with minimal or no impact on the tax rate. **The Board of Selectmen X recommend this appropriation.** (3/5 Ballot vote required)

NEW INITIATIVE ARTICLE

Shall the Town raise and appropriate the sum of up to \$58,000 to make the current part-time Recreation Director a full-time fully benefited position?

The current budgeted hours provide 34 hours a week. This will bring the position to 40 hours a week. This sum covers 9 months of wages and benefits. If approved, it is intended that this funding will remain as part of the operating and default budget for the future. ***The Selectboard does recommend this appropriation.***

NEW INITIATIVE ARTICLE

Shall the Town raise and appropriate the sum of \$250,000 to construct a garage for the Freightliner truck at the wastewater treatment plant, by authorizing the withdrawal of \$250,000 from the Sewer Capital Improvement Fund in accordance with the official established purpose of this fund. ***The Selectboard does recommend this appropriation.***

NEW INITIATIVE ARTICLE

Shall the Town raise and appropriate the sum of \$125,000 to purchase and equip a new dump truck for the Water & Sewer Department; authorize the withdrawal of up to \$125,000 from Water & Sewer Replacement Funds established for this purpose, authorize the sale of trade-in of the existing dump truck, and authorize the use of said trade-in or sale to reduce the amount withdrawn from said fund? ***The Selectboard does recommend this appropriation.***

NEW INITIATIVE ARTICLE

Are you in favor of the Town raising and appropriating the sum of up to \$1,050,000 (gross budget) for the engineering, permitting, construction and installation of new water mains at five Route 11 crossings and on Lower Main Street, and for the design, engineering and permitting to replace water mains on High Street, Central Street and Route 103B (collectively, “the Project”), and to authorize the issuance of not more than \$1,050,000 of bonds or notes in accordance with RSA 33, the Municipal Finance Act; to authorize the Sunapee Board of Selectmen to issue and negotiate said bonds or notes and to fix the date, maturities, denominations, interest rate and other details of said bonds or notes as shall be in the best interest of the Town, to authorize the Sunapee Board of Selectmen to apply for, accept and expend any federal, state or private funds that are available in respect of the Project, including but not limited to the State Revolving Fund pursuant to RSA 486:14, to reduce the amount that must be bonded or to pay debt service on such bonds or notes? **The Board of Selectmen X this Article** (3/5 Ballot Vote Required).

NEW INITIATIVE ARTICLE

Shall the Town raise and appropriate the sum of \$20,700.00 received from FEMA reimbursing the Town for damages incurred during the 2021 Flood Event. Moneys will be a directed to Town road Bridges Capital Reserve, from the December 31, 2023, unrestricted fund balance, to fund for future bridge repairs. ***The Selectboard does recommend this appropriation.***

NEW INITIATIVE ARTICLE

Contingent upon the passing of Article [X] - to raise and appropriate the sum of \$141,750.00 for the Highway and Transfer Station Equipment Capital Reserve Fund -

Shall the Town raise and appropriate the sum of \$200,000 to purchase and equip a new roll-off truck for the Transfer Station, authorize the withdrawal of up to \$200,000 from the Highway and Transfer Station Capital Reserve Fund (There is currently \$174,097.00 in said reserve fund), authorize the sale of trade-in of the existing roll-off truck, and authorize the use of said trade-in or sale to reduce the amount withdrawn from said fund? ***The Selectboard does recommend this appropriation.***

NON-MONETARY ARTICLE

Shall the Town vote to clarify language from the 2018 Town approved Public Safety Revolving Fund making it known that the fund is for use by Police, Fire, and Highway in connection with special events, special details, pistol permit feeds, ambulance services, fire services, highway construction projects, and other public safety related projects in accordance with RSA 31:95-h?.

Such funds may be expended for the payment of expenses and activities and services supported for the purposes for which the fund was created. Revolving money may accumulate from year to year and is not considered part of the Town's general surplus. All moneys in these revolving funds must be in the custody of the Town Treasurer, who shall pay out from the fund only upon orders of the governing body. No further approval of the legislative body is required for the use of the funds. ***The Selectboard does recommend this article per the 2021 and 2022 Audit Recommendations.***

NON-MONETARY ARTICLE

Shall the Town adopt the provisions of RSA 31:95c to restrict moneys secured through drug forfeitures by the Sunapee Police Department to expenditures for the purpose equipping of police cruisers and procuring police equipment? Such revenues and expenditures shall be accounted for in a special revenue fund to be known as the Drug Forfeitures Special Revenue Fund , separate from the general fund. Any surplus in said fund shall not be deemed part of the general fund accumulated surplus and shall be expended only after approval is provided by the Selectboard for the specific purpose related to the fund or source of revenue.

(Majority ballot vote required) The Selectboard does recommend this article per the 2021 and 2022 Audit recommendations.

NON-MONETARY ARTICLE

Shall the Town of Sunapee adopt a system for the administrative enforcement of violations of any municipal code, ordinance, bylaw, or regulation, and for the collection of penalties, to be used prior to the service of a formal summons and complaint, as permitted in RSA 31:39-C? **The Selectboard does recommend this article.**

NON-MONETARY ARTICLE

Shall the Town adopt RSA 41:11-a, III to authorize the Selectboard to rent or lease municipal property for a term of up to 5 years without further vote or ratification of the town. Once adopted, this authority shall remain in effect until specifically rescinded by the legislative body at any duly warned meeting provided that the term of any lease entered into prior to the rescission shall remain in effect. **The Selectboard does recommend this article.**

PETITION WARRANT ARTICLE

Shall the Town vote to adopt how the voters want to have their votes counted after each election. (select one)

- * Paper Ballot – Dominion, closed source tabulating machine
- * Paper Ballot-VotingWorks, open source tabulating machine
- * Paper Ballot – Hand counted with verified count.
(This will not impact property taxes)

The Selectboard does not recommend this article.

PETITION WARRANT ARTICLE

Shall the Town vote to adopt Petitioned Warrant Article 1 results, for either the VotingWorks tabulator or a Hand counting of the ballots, the Town government will Respect and adhere to the decision of the voters and purchase the VotingWorks tabulating machine if that was the decision of the voters or create procedures for hand counting of the voters ballots with verification, if that is what the decision of the voters. (Select Yes or No).

(This will not impact property taxes)

The Selectboard does not recommend this article.

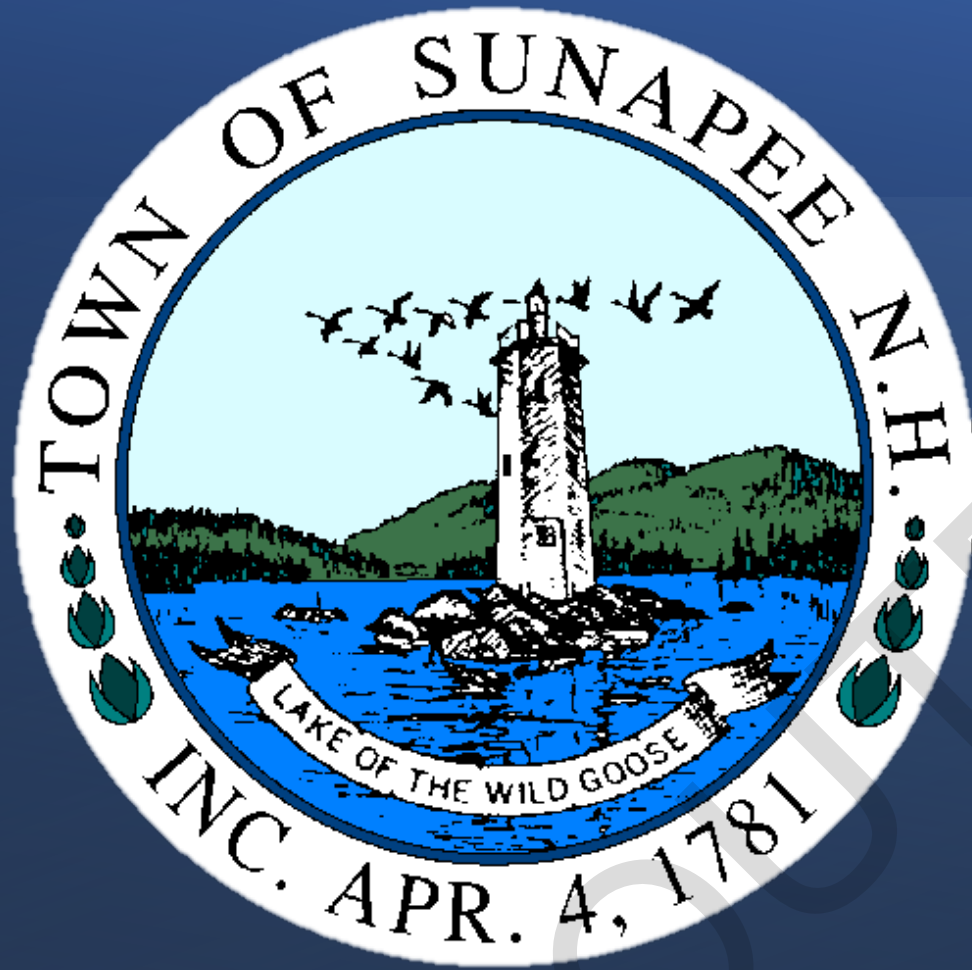
Summary

The Town of Sunapee's Municipal team has designed the Fiscal Year 2024 budget to strike a balance between keeping tax increases low and providing enhanced resident-centered services.

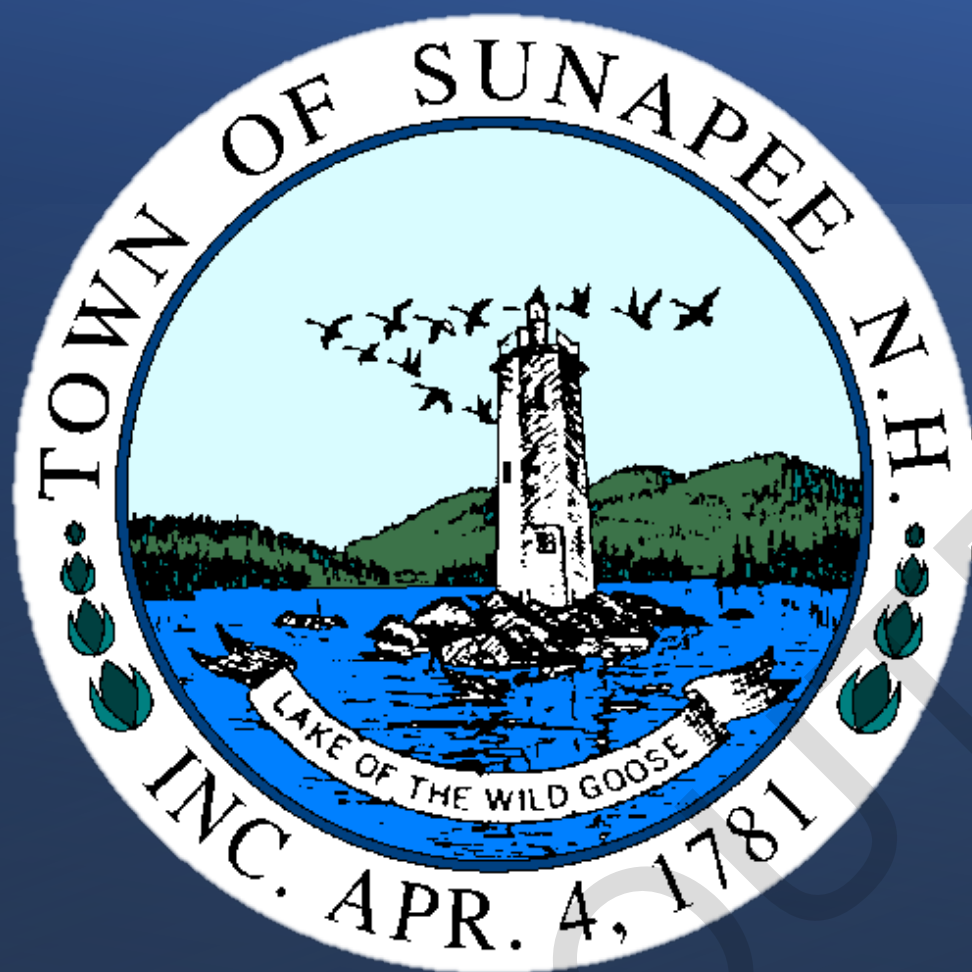
Responsibly introduced long-overdue course correction measures improving the health of our capital reserve plans.

Invest in our team through the creation of a more robust approach to compensation and evaluation.

Integrated strategies that seek to maintain the levels of service residents are accustomed to while wrestling with wildly expensive commodities and a rapidly changing labor market.



Questions and Discussion



Next Steps

Warrant Article One

Election of Town Officers

**Filing period is January 24, 2024-
February 2, 2024**

Deliberative Session

WHEN?

Tuesday, February 6, 2024, 7:00PM

WHERE?

Sunapee Middle-High School Gymnasium

WHY?

To discuss and to amend (if deemed appropriate) warrant articles (except election and zoning)

Town Meeting

**Voting by Ballot, Tuesday, March 12, 2024, at the Sherburne
Gymnasium from 8:00AM to 7:00PM**