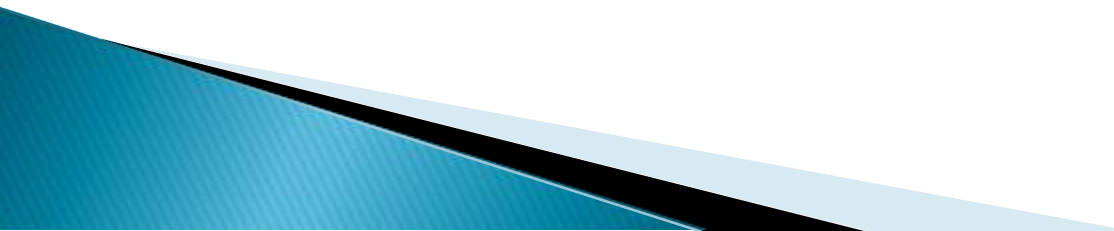


# 2021 Town of Sunapee

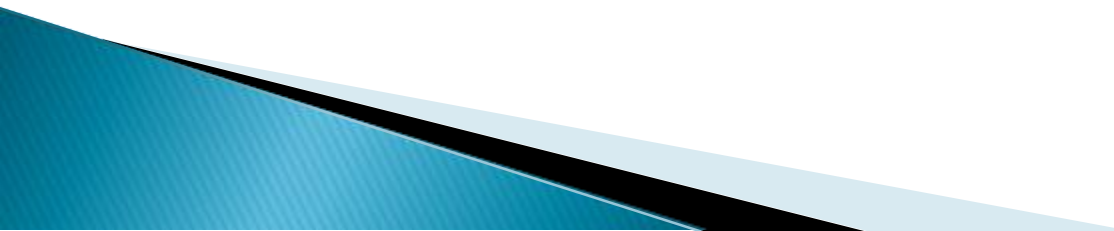
Budget Hearing

Required to hold one public hearing on the budget

# Rules of Budget for 2021

- ▶ Selectmen (BOS) 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)
<b>GENERAL GOVERNMENT</b>			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					
<b>PUBLIC SAFETY</b>			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)					
<b>AIRPORT/AVIATION CENTER</b>			XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
4301-4309	Airport Operations					
<b>HIGHWAYS &amp; STREETS</b>			XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
4311	Administration					
4312	Highways & Streets					
4313	Bridges					
4316	Street Lighting					
4319	Other					
<b>SANITATION</b>			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

# 2021 Budget



The ABC committee report is presented to the Selectmen for consideration of the proposed budget and can be reviewed on the ABC committee web page or by contacting Donna Nashawaty, Town Manager at the Town Offices or at [donna@town.sunapee.nh.us](mailto:donna@town.sunapee.nh.us)

# Operating Budget

- ▶ \$8,277,612 Budget including Enterprise Funds
- ▶ \$6,240,876 General Government Operating (GGO)
  
- ▶ Operating Budget is overall same as 2021 with adjustments as follows:
  - Annual increase to salary 52 pay periods, 135 staff positions, 1.2% across the board COLA increase and, Step increases based on anniversary date & merit adjustments based on successful employee evaluations
    - Cost of Living Proposed for 2021 GGO 1.2% at a cost of \$32,402.16.

# Operating Budget

## Larger Contract Services changes for 2021

- ▶ New London Dispatch \$70,913 a reduction of \$3,389.
- ▶ Software improvements/annual contracts also annually stayed stable as software upgrades were purchased from the Computer System Upgrade Capital Improvement Fund
- ▶ Joint Assessing decrease of \$14,644
- ▶ Ambulance remained the same \$61,886
- ▶ Fuel Prices and Roller Lease decreased by \$25,000
- ▶ Municipal Solid Waste and C & D increased by \$16,000
- ▶ NH Retirement rates increased budget by \$23,784.05
- ▶ Staffing increases for additional p/t hours included in budget:
  - Finance hours \$8,635.63
  - Town Clerk/tax collection \$8,680.49
  - Zoning Intern \$4,869.61
  - Laborer Highway \$7,418.94



# Operating Budget

- Overall Health Insurance Premiums increased by 6.4%, , employees contribute 10% of the health insurance premium in 2021 in addition to the first half of their deductible.
  - Salary plus rollups change GGO from 2020 \$37,443.42
- Increase in 2021 General Government operating budget up \$291,367 or 4.9%
  - Additional Information for 2021
    - At this time, we are not receiving any unanticipated revenue for Covid-19 under the Cares Act and we do anticipate some increases in the budget. Not entirely budgeted for depending how long special cleaning and supplies are needed adjustments to services may be necessary by the selectmen

# Operating Budget Process

- 2021 proposed Warrant Articles raise \$522,299 in new tax dollars:
  - 2020 Warrant articles raised \$484,200
  - 2019 Warrant articles raised \$446,520
  - 2018 Warrant articles raised \$600,000
- Enterprise Fund Notes
  - All Enterprise Funds contain all benefits similar to the GGO budget

# ABC Committee Report

## ▶ Chris Whitehouse: Chair of the Town ABC Committee

David Cahill

Veronica Hastings

Betty Ramspott

Scott Hazelton

Josh Trow

John Augustine

Shane Hastings

Mindy Atwood

Linda Tanner, vice chair

Aaron Warkentien

John Galloway

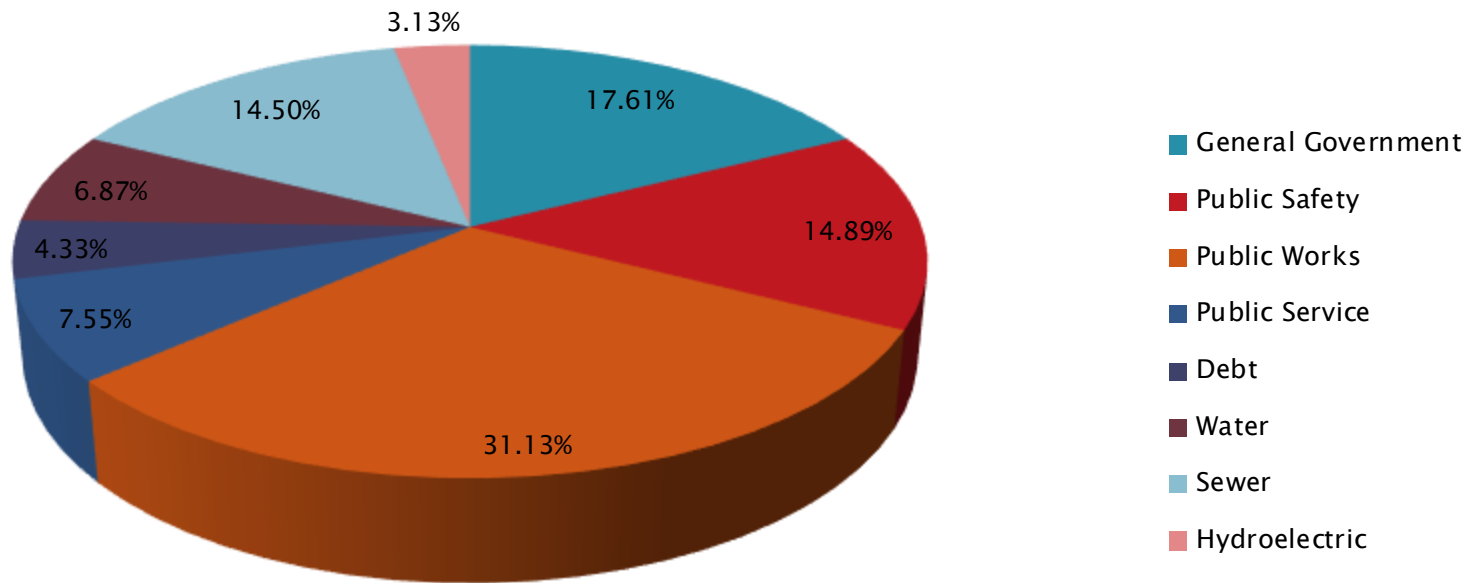
Scott Blewitt

Sue Gottling

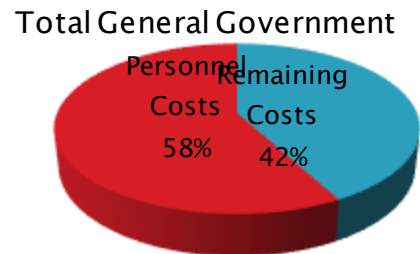
Fred Gallup

Ed Anderson

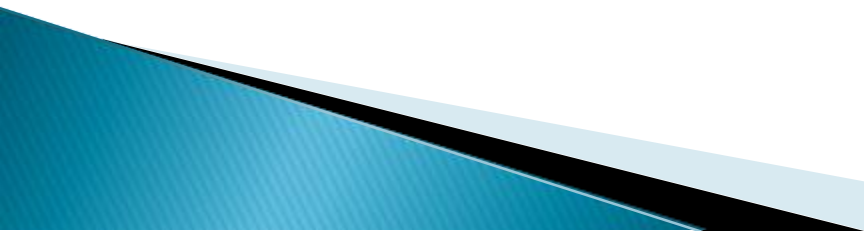
# Components of Operating Budget 2021



## Personnel vs remaining costs



# Default Budget \$8,127,116

- ▶ 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
- 

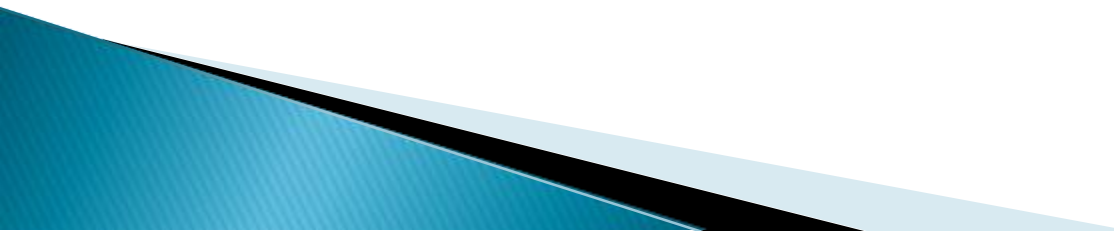
# Relationship of Default Budget to Operating Budget

- ▶ 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 \$144,422
  - General Government w/o utilities \$150,496

# 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.
- 



# 2021 Town Warrant Articles Summary

Article	Description	Amount	New Tax dollars raised in 2021	Revenue Offset/No increase to tax rate
	Budget Authorization			
	Add to Highway & Transfer Station Equipment Capital Reserve	\$135,000	\$135,000	
	Add to Used Highway Equipment Capital Reserve	\$25,000	\$25,000	
	Add to Town Buildings Capital Reserve Fund	\$40,000	\$40,000	
	Add to Fire Equipment Capital Reserve	\$115,000	\$115,000	
	Add to Bridges Capital Reserve	\$50,000	\$50,000	
	Add to Dirt Roads Paving Capital Reserve	\$25,000	\$25,000	
	Conservation Fund	\$55,000	\$55,000	
	Add to Milfoil Control Non-Capital Reserve Fund	\$5,000	\$5,000	
	Establish Capital Reserve for utilities infrastructure			
	Highway Garage	\$50,000	\$50,000	\$0
	Purchase Backhoe	\$139,850		\$139,850
	Purchase Ford F550	\$84,350		\$84,350
	Garnet St/Main St Safety intersection improvements from Hydro	\$50,000	\$0	\$50,000
	Crush existing asphalt pile from Fund Balance	\$29,500	\$0	\$29,500
	PD Body Cameras from Fund Balance	\$22,885	\$0	\$22,885
	Full Time Recreation Director	\$22,299	\$22,299	
	Cemetery Trust from Fund Balance	\$3,200		\$3,200
	TOTALS:	\$852,084	\$522,299	\$329,785

\*\$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

\*\$335,300 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

\$485,000 new tax dollars raised in 2017

\$600,000 new tax dollars raised in 2018

\$446,520 new tax dollars raised in 2019

\$484,200 new tax dollars raised in 2020

# Town Tax Rate Calculation

## ▶ 2020 TOWN PORTION

▶ Appropriations	\$ 9,181,054
▶ Less: Revenues	\$ -4,302,491
▶ Less: fund bal reduce tax	\$ -300,000
▶ Less: fund bal voted	\$ -16,800
▶ Add: Overlay	\$ 32,200
▶ Add: War Service Credits	<u>\$ 74,500</u>
▶ Net Town Appropriation	\$4,668,463
▶ Town Tax Rate	\$3.21

# Calculating a tax rate

- ▶ Need to know Grand List
  - 2020 Grand List including utilities
  - \$1,451,938,388
- ▶ Net amount to be raised by taxes
  - \$4,668,463
- ▶ Divide by the grand list leaving off the thousands
- ▶ Nets the \$3.21 from 2020

# 2021 Town Tax Rate Calculation

▶ Appropriations	\$	8,277,612
▶ Proposed Warrant Articles	\$	522,299
▶ Less: Revenues	\$	-3,606,259
▶ Less: Fund Balance	\$	- 300,000
▶ Add: Overlay	\$	35,000
▶ Add: War Service Credits	\$	74,500
▶ Net Town Appropriation	\$	5,003,152
▶ Town Tax Rate	\$	\$3.45

\*Rate increase \$.24 using 2020 property values

# Unrestricted Fund Balance Retainage

- ▶ GFOA Standards recommend at a minimum, “general purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating expenditures”
  - 2020 2 month's worth
    - \$3,695,241
  - History of Retainage
    - 2015 \$1,685,625 8.67% \$300,000 used to reduce taxes
    - 2016 \$1,938,927 9.81% \$300,000 used to reduce taxes
    - 2017 \$1,698,956 8.18% \$350,000 used to reduce taxes
    - 2018 \$1,978,457 9.41% \$400,000 used to reduce taxes
    - 2019 \$1,637,791 7.48% \$300,000 used to reduce taxes
    - 2020 \$1,588,698 7.17% \$300,000 used to reduce taxes
  - Policy of Selectmen
    - The Town will strive to maintain an unassigned fund balance in its General Fund equal to 5–17% of the total appropriations of the community (this is calculated by adding the municipality's appropriations, the statewide enhanced education amount, the local school net tax commitment, and the county appropriation). The Board of Selectmen will review this information each year in order to determine the amount, if any, of unassigned fund balance to use to balance the budget and to reduce the property tax rate.

# Deliberative Session

- ▶ **When**
  - Tuesday, February 2, 2021 7:00PM
- ▶ **Where**
  - Sunapee Middle High School Gymnasium
- ▶ **Why**
  - To discuss and to amend, if deemed appropriate warrant articles, except election and zoning.

**Voting by Ballot, Tuesday March 9, 2021 at the Sherburne Gymnasium from 8:00 am to 7:00 PM**



# Warrant Article 1

- ▶ Election of Town Officers
- ▶ Filing period is January 20 thru January 29

# 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](mailto:Donna@town.sunapee.nh.us) or please call Donna Nashawaty at 763-2212
  - ▶ Thanks
  - ▶ Donna
- 