

# Town of Moultonborough



FY 2016 Operating and Capital  
Budget Recommendation  
December 4<sup>th</sup> 2015

# The Guidance

## “Level Service”

No increase or reduction in services/  
no increase in workforce

## Summary:

You will see that the proposed Operating and Capital tax levy budget is down approximately \$120,035 on an unadjusted basis.

For the operating budget as a stand-alone item, the bottom line is a recommendation of \$7,614,482 for FY 2016. This is a decrease of 1.1% or approximately \$86,735 less than FY 2015 on a non-adjusted basis.

Although the CIPC has approved the lease/purchase of a new fire pumper in FY16 at an estimated cost of \$400,000, I am recommending this vehicle be purchased outright with the use of funds in the firefighting capital reserve account in the amount of \$200,000 and \$200,000 from the fund balance. The outright purchase may allow for more competitive pricing and will save approximately \$58,000 in interest costs over five years.

I am also recommending the creation of a new capital reserve fund for replacement and expansion of our information technology systems town wide. With a new replacement plan developed this fall, we can now predict with reasonable accuracy our future IT needs and thus financially plan accordingly. As an expendable reserve fund we will also be able to fund any unanticipated failures in our systems if and when they occur without impacting department budgets. You will see in the capital budget I am recommending an initial contribution of \$30,000 of which \$25,000 of it will be spent in FY16 in accordance with our plan and \$5,000 will be retained for any emergencies.

In order to address the fact that the fund balance amount at the end of FY14 far exceeded the 12.5% recommended fund balance policy amount and even with using \$575,000 to reduce taxes this fall, we still estimate a FY15 fund balance of \$4,550,126+. This amount does not account for any increase in the fund balance as a result of under expenditures or excess revenue from FY15. The policy amount at 12.5% is \$3,385,874 based on FY15 gross appropriations. I am recommending using \$720,365 of fund balance in the capital budget to offset some capital purchases and some annual contributions to reserve and trust funds. This will still leave approximately \$440,000 in excess fund balance above the 12.5% target.

# Overview

|                               |                        |
|-------------------------------|------------------------|
| Proposed Operating Expenses:  | \$7,614,483.00         |
| Proposed Capital Outlay:      | \$1,840,735.00         |
| Proposed CR/MT Contributions: | <u>\$ 801,600.00</u>   |
| <b>Proposed Total</b>         | <b>\$10,256,818.00</b> |

# Overview Continued

## FY 15 Proposed vs. FY16 Proposed

|                      |                      |                      |
|----------------------|----------------------|----------------------|
| Operating Budget:    | \$ 7,701,218.00      | \$ 7,614,483.00      |
| Capital Outlay:      | \$ 1,299,000.00      | \$ 1,840,735.00      |
| CR/MT Contributions: | <u>\$ 629,500.00</u> | <u>\$ 801,600.00</u> |
| Totals:              | \$ 9,629,718.00      | \$10,256,818.00      |

# The Major Cost Drivers:

|                                    |             |
|------------------------------------|-------------|
| * Fire Department                  | +\$10,855   |
| * Elections                        | +\$17,579   |
| * Recreation                       | +\$12,520   |
| * Health Insurance (6.5% increase) | + \$55,197* |

\* With changes in employee census actual total health insurance expense is down roughly \$2,700 for FY16

# The Major Cost Savers & Offsets:

|                                     |             |
|-------------------------------------|-------------|
| * Legal Services                    | (-\$19,000) |
| * Police Department                 | (-\$24,344) |
| * Human Services                    | (-\$26,006) |
| * Insurances (Property & Liability) | (-\$17,700) |

# Major \$ Initiatives

## DPW:

|                                   |           |
|-----------------------------------|-----------|
| 1 Ton Pickup with Plow and Sander | \$ 54,000 |
| 1 Wheel Dump Truck Fit Up         | \$100,000 |

## Public Safety:

|                  |                     |           |
|------------------|---------------------|-----------|
| • <b>Fire:</b>   | Pumper Replacement  | \$400,000 |
| • <b>Police:</b> | Replacement Cruiser | \$54,835  |
|                  | Two Message Signs   | \$30,400  |



# Major \$ Initiatives (cont)

## DPW/PSB & Recreation Facilities:

|                                  |           |
|----------------------------------|-----------|
| PSB Parking Lot Repair Phase 1   | \$175,000 |
| PSB Energy Upgrades              | \$30,000  |
| Highway Garage Two Bay Addition  | \$10,000  |
| States Landing Phase 3           | \$125,000 |
| Moultonboro Neck Pathway Phase 3 | \$36,500  |



# NOT Recommended...

Lions Club Roof Replacement

\$ 50,000

# Looking Back:

## Challenges Addressed/In Progress:

- **Implement or kill the Communications Technology Fund**

UNH Tech Assistance in 2014 w/ report is now being finalized by the BroadBand Working group for submission in the near future.

- **Insurance Advisory Group**

8 member panel to involve the employees and improve the level of understanding of the issues. I encourage its continued existence.

# The Looking Ahead:

## Holdover /Continuing Issues:

- **Set Targets and Ceilings for Certain Unresolved Funds**

Fire Resources Plan Pending (Dry Hydrant & Cistern ARC)

- **Implement Honor System Boat Launch Fee ?**

- **Set a Plan for the Community Substance Abuse Fund**

The SAU proposal for \$10,500. Substantial questions remain as to school or town-wide issue and how to address!

# The Looking Ahead:

## Challenges to be addressed

- Implement Transfer Station Single Stream  
Savings \$75,000+/-\*
- (Projected savings over time through department workforce reduction, lower operating costs and the return of positive recycling revenue.)
- Health Care Cost Re: Benefit Platform  
Savings TBD
- Explore human resources capacity needs in all departments
- Funding a new community center if approved by voters

# And Now...

The Details in the Book...