

Moultonborough

2019 Town Budget

Recommendations and Comments



Advisory Budget Committee

February 07, 2019

February 07, 2018

To the Members of the Select Board, Town Administrator
Moultonborough Town Hall
Moultonborough, New Hampshire 03254

Moultonborough's Advisory Budget Committee (ABC), established in July 2008, is an appointed volunteer body whose mission is to provide the community and governing bodies with independent review and objective analysis of the annual budget. The Committee completed its comprehensive review of the 2019 Budget. The views in this report are not always unanimous to the committee members.

Budget Summary:

The proposed Town Operating Budget for 2019 is \$8,006,663 as compared to \$7,739,184 for the prior year. This increase represents approximately \$ 267,479 (3.3%). The Capital Budget for 2019 is \$ 4,959,084 of which \$1,125,000 will be raised from Taxation, \$1,919,334 transferred from Fund Balance and \$1,914,750 to be withdrawn from Capital Reserves.

Approximations of some significant changes in the budget are shown below. See the Town Budget Detail for more information.

• Transfer Station	\$126,000	Staffing related 63k, tipping fees 63K
• Recreation	\$60,000	Change from revolving fund to taxation
• Department of Public Works	\$46,000	Salary 34K, mowing 6K, materials 6K
• Welfare decrease of	(\$19,000)	Economy driven
• Benefits Expense	\$80,000	Increases in healthcare insurance costs

Estimated budget revenues for 2019 are \$4,336,698 versus a 2018 budget of \$4,156,087. All revenue lines were reviewed and appear reasonable.

OBSERVATIONS & COMMENTS:

The ABC would like to provide observations and comments on the following issues, some of which are repetitive from prior reports.

- **Transfer Station:** The Transfer Station 2019 budget changes are a result of increased use of the facility. The tipping and hauling fees have increased. Due to growth in use of the transfer station and level of service required, a full-time staff member was added to the facility.

- **Recreation:** As the Recreation Department increases its scope and offerings of programs, the ABC is requesting an ongoing fee analysis. This process would summarize the various programs offered, with their respective levels of participation and revenues. The budget increase noted in the summary is a result of using tax levy funds instead of the revolving fund.
- **Department of Public Works:** Increases in the DPW budget include supplies like sands and salts. We recommend the DPW strongly consider the cost/benefit of expensive tools and equipment required for heavy truck maintenance. The ABC would offer support in assisting with this analysis.
- **Human Services:** The town contributes funds to several organizations (Hearts and Flowers) that submit requests to the BoS. The ABC recommends a more formal process to review the need and qualifications of these organizations.
- **Fund Balance:** DRA recommends that local communities maintain an unassigned fund balance in the range of 8% - 17%. The Town maintains a 12.5% Fund Balance Reserve level. At the end of FY2018, the estimated unassigned fund balance was approximately \$4,900,000.

The ABC further recommends that Administration continue to look for one-off opportunities to reduce and maintain the Unassigned Fund Balance at the 12.5% target level.

- **Police:** The ABC recognizes the need for, and supports the use of, supplemental summer staffing with existing budget allocations.
- **Fire:** We recognize that solutions are needed to supplement the volunteer workforce as the local demographics change. We support alternative staffing sources that may come from regional cooperation with neighboring communities.
- **Health Benefits:** There is a new, high-deductible plan now available. The ABC recommends continued work toward savings, including changes like this new plan. Alternatives to the current arrangement should align with the market and other towns. For example, employee co-share in premiums and deductibles, HSA's, and other mechanisms can help control costs.
- **Regionalization of Shared Services:** We support current BoS dialog with surrounding towns in searching for ways to share services. Some opportunities may be found in transfer station use, fixed administration, milfoil and seasonal public safety.

Conclusion:

The ABC recognizes the proposed increase of 3.3% in this budget is largely a result of wage and benefit related costs. As healthcare costs continue to rise, alternatives to the current arrangement should align with the market and other towns. For example, employee co-share in premiums and deductibles, HSA's, and other mechanisms can help control costs.

The ABC also recommends the BoS and Town Administration explore the benefits of adjusting the fiscal year to July 1st through June 30th. This would align the town and school budget seasons. The new budget cycle would also appropriate fund before they are intended to be used.

Respectfully submitted,

Cody Gray – ABC Chair

Moultonborough Budget Advisory Committee

Members:	Barbara Rando	(Member at Large)
	Chuck McGee	(Member at large)
	Jean Beadle	(Select Board Representative)
	Kathy Garry	(School Board Representative)
	Linda Murray	(Alternate at Large)