

Town of Moultonborough



**Town Administrator's
FY 2019 Operating and Capital
Budget Recommendation
November 30, 2018**

The Guidance

“Level Service”

No increase or reduction in services/
no increase in full time workforce.
Look to the future, be creative and
think outside the “box”.

Summary:

I am pleased to present my proposed 2019 fiscal year operating and capital budgets and advise you that our 2018 fiscal year is going well.

As of November 27, 2018 with 93% of FY18 complete we have expended 83% of the operating budget. The following unanticipated factors have impacted the expenditures in the current year operating budget:

1. A number of ice and snow events last winter.
2. Higher than average legal expenses including several utility property tax abatement cases.
3. A number of vacancies in both full time and part time positions during the year which affects both salaries and benefits costs.
4. A minimal number of calls for human services.

Department heads have been asked to look at expenditures budgeted for FY19 that can be purchased from the remaining FY18 budget resulting in removal from the FY19 proposed budget. I anticipate we will expend approximately 96% of the FY18 budget by year end.

Summary Continued

Fiscal Year 2019

In order to continue to address the fact that our estimated fund balance amount at the end of FY18 (\$4,942,536) is still exceeding the 12.5% (currently 17.04%) recommended fund balance policy amount, I am recommending using \$1,615,020 of fund balance in the capital budget to offset some capital purchases and annual contributions to reserve and trust funds. This will still leave approximately \$377,516 in excess fund balance above the 12.5% target which is currently \$2,950,000. (This estimate is prior to year end and final audit of FY18 I expect it may be much higher after adding unexpended items and excess revenues.)

For the operating budget as a stand-alone item, the bottom line is a recommendation of \$8,657,329 for FY 2019. This is an increase of approximately 4.5% or approximately \$500,652 over FY 2018 on a non-adjusted basis (including Library). The capital budget is up slightly over the FY18 approved amount (\$4,591,020) as a result of several capital items for the DPW, Fire Department and some additional contributions to capital reserve account to address the higher fund balance. Our revenue estimate is up \$469,923 including the anticipated use of fund balance noted above.

FY 19 Overview

Proposed Operating Expenses:	\$8,080,593.00
Proposed Capital Outlay:	\$2,561,020.00
Proposed CR/MT Contributions:	\$2,030,000.00
Proposed Library Budget:	<u>\$ 588,086.00</u>
Proposed Total	\$13,259,699.00

Overview Continued

	Approved FY18	Proposed FY19
Operating Budget:	\$ 7,739,184.00	\$ 8,080,593.00
Capital Outlay:	\$ 2,362,916.00	\$ 2,561,020.00
CR/MT Contributions:	\$ 2,079,000.00	\$ 2,030,000.00
Library:	<u>\$ 559,947.00</u>	<u>\$ 588,086.00</u>
Totals:	\$12,741,047.00	\$13,259,699.00

The Major Cost Drivers:

- **Employee Health Insurance Cost:** Effecting all departments this year is a 10.5% increase in our employee health insurance premiums for FY19. In FY18 we enjoyed a 6.5% premium reduction.
- **DPW Highway Department:** Up \$74,486 or 4.5% which is due to the increase in health insurance for department employees, contract price increase in materials (sand, gravel, etc.), annual wage adjustments and roadside mowing contract.
- **Transfer Station:** Up \$156,878 or 24% due to increases in disposal/hauling prices and the recycling processing fee and the proposed addition of one fulltime staff person due to the significant increase in facility use.
- **Assessing:** In 2018 we did not budget for cyclical inspections as it is our DRA certification year. We will resume cyclical inspections in 2019 at a cost of 33,750. This and a \$4500 increase in employee health insurance premiums accounts for a 13% increase in the Assessing budget.

The Major Cost Savers & Offsets:

- Human Services: -\$11,000.00
Reduction in housing assistance due to lower requests. Some agencies have not requested their annual assistance and may petition the Town Meeting.
- Elections: -\$23,454.00
In FY19 we have just one election which is the local elections and Town Meeting.
- Fire Department: - \$60,260.00
This reduction is mostly attributed to the salaries and benefits due to changes in our two fulltime firefighters. Also a reduction in the ambulance contract for FY19 of approximately \$10,000.

Major \$ Initiatives

DPW:

6 Wheel Dump Truck w/Plow Wing and Sander	\$ 180,000
19.5KGVW Truck w/Plow Wing and Sander	\$ 120,000
3500 1 Ton Truck w/ Plow and Sander	\$ 73,000
2019 Road Reconstruction Projects	\$ 925,000
2017 Excavator (lease buyout)	\$ 170,000
2017 Street Roller (lease buyout)	\$ 77,000
Public Safety Building HVAC Upgrade/Replacement	\$ 80,000

Public Safety:

• Fire:	Multi-Use Mini Attack Truck		\$ 264,900
	Self Contained Breathing Apparatus (SCBA)		\$ 222,120
• Police:	Replacement Cruiser		\$ 46,200

Major \$ Initiatives (cont.)

Police Cont.

- Communications/Dispatch Improvements: \$ 60,000

Recreation

- Ice Rink Improvements \$ 78,500

Conservation

- Milfoil Eradication \$ 228,000

The Looking Ahead:

Holdover /Continuing Issues:

- **Address Community Facility Needs**
A revised community center plan, what to do with the Lions Club?
- **Managing Employee Health Care Benefit Costs**
An Optional plan for Town Funded Deductibles will be offered in FY19.
- **Completing the Pathway Project**
A CRF was established in FY18. A contribution is proposed for FY19.
A capital fund raising effort is pending development.
- **Completing States Landing Beach Improvements**
Permits have been approved to restore swim area in fall of 2019 and will address runoff and parking as well – Passive activities in 2020
- **Implement Village Vision Plan**
Construct sidewalks or off street walking paths to encourage residential & commercial growth in village area.

The Looking Ahead cont.:

Challenges to be addressed

- Continue working with neighboring communities for cooperative contracting of goods and services
- Determine what future additional services are needed for changing citizen demographics
- Continue to implement the Village Vision plan
- Protect the water quality of our most precious natural resources, our lakes.

Expand infrastructure, i.e. wastewater system? Development management in watershed. Implement road maintenance BMPs for roadway drainage and winter maintenance.

And Now...

The Details in the Book...