

2018 Town Budget

Recommendations and Comments



Advisory Budget Committee

Monday, February 5, 2018

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

The ABC has completed its review of the 2018 proposed Town Budget. The Committee began its comprehensive review of the 2018 budget with a full committee, we welcomed John Temple. We continue to support and review opportunities to enhance services and consolidate operational efficiencies for the Town of Moultonborough as a whole. Of continued and growing concern to the Committee are the number and potential dollar impact of the various programs currently being promoted throughout the community. In addition, the Committee continues to express concern related to the changing town demographics.

Budget Summary:

The proposed Town Operating Budget for 2018 represents \$7,748,433. as compared to \$7,565,10 for the prior year 2017 representing an increase of approximately \$ 183,325 (2.4%). The Capital Budget for 2018 is \$5,438,772 of which \$2,169,070 will be raised from Tax Levey, \$1,570,527 transferred from Fund Balance and \$1,699,175 to be withdrawn from Capital Reserves.

The increase of \$ 183,325 is made up of the following area.

- General Government increase of \$ 7,012
- Public Safety decrease of (\$ 2,855)
- Highways and Streets increase of \$176,179
- Sanitation increase of \$ 32,488
- Welfare decrease of (\$ 26,118)
- Culture and Recreation decrease of (\$ 3,411)

Estimated budget revenues for 2018 are \$4,031,175 versus a 2017 budget of \$3,380,900. 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. It is the belief of this Committee that they are still valid and ongoing concerns:

- **Technology** – The Committee is pleased to see that The Town partnered with Fair Point utilizing funds for the first time from the Technology Communications Reserve Fund to upgrade broadband speeds and in some cases, provide broadband access for the first time to areas within the Community:

We encourage the Town to continue to build out broadband to the unserved and underserved areas of the Community as this will enhance the ability to attract both business opportunities and residents to the Moultonborough.

- **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. The target fund balance reserve is calculated by dividing the unassigned fund balance at year end of a given year by the total of the annual gross appropriations or levies upon the community to include Town, County, School District, and state-wide Education Property for the current fiscal year. Any amounts that are above this calculation may be considered excess. At 12/31/2018 the estimated(unaudited) Unassigned Fund Balance for Moultonborough was approximately \$6,500,000 (this number excludes approximately \$461,000 in encumbrances. The net amount is estimated at \$5,539,000) This represents an estimated target level in excess of 25%. Administration has taken steps in preparing the 2018 Budget to utilize a portion (\$1,570.527) of the excess as follows:

\$859,000 Funding for annual Capital Reserve Funds (previously funded via tax levy)
 \$185,000 Multi-use tractor for snow blowing and plowing, and roadside mowing
 \$150,000 Towards the purchase of DPW replacements vehicles in Article #4
 \$ 26,527 Towards the replacement and Improvements in Article #3
 \$100,000 Towards a Reserve for Pathway,
 \$250,000 Towards the Development of future plans for the Taylor Property

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.

Recreation Budget –We support the process of leasing a 24 passenger bus for a year to determine the usage and weather to move forward with a full purchase and encourage the Recreation Department. The ABC feels the construction of the pavilion at playground drive is not environmentally the best solution.

- **Health Benefits:** Looking to the future the ABC would like the Town to continue the focus on employee/employer benefit contribution rates and continue to seek alternatives for reducing the overall cost of health benefits while continuing to provide competitive coverage to its employees.
- **Consolidation of Shared Services** - The ABC would like to recognize the efforts put forth by the town and the school district to hire and share the expertise of a Human Resource Professional.
- **Regionalization of Shared Services** – The ABC Committee supports the recent collaborative efforts between the BOS and the Boards of our neighboring communities to discuss common issues and opportunities to share services where appropriate. The Committee would like to knowledge the recent collaborative opportunities that the Town of Moultonborough and its neighboring communities have joined together to purchase electric at a lower rate. We encourage the Town to continue explore such opportunities.

Additionally, the town should continue to explore opportunities to combine services with County Administration and Operations where feasible.

Conclusion:

This has been a year of rebuilding. After a long and extensive search Moultonborough has a Town Planner. The Town has also hired a Town Assessor, a DPW Mechanic and Forman, and a Police Chief.

We believe the departmental operating budgets as presented represent a fair assessment of the cost to operate the Town under its current organization based on needs rather than wants.

The ABC committee fully supports the initiative to appropriate the \$250,000 which will be used to include the community in the decision making with regards to the best way to move forward with the Taylor Property and support the needs of the community.

The committee strongly supports the current discussions between the select board and planning board to include promoting more business opportunities within the town to attract economic development to encourage a vibrant community. The community needs to come together to support the long- term investments of the town.

Respectfully submitted,

Amanda Bergquist, Chair – ABC

Moultonborough Advisory Budget Committee

Members:

Amanda Bergquist	(Member at large)
Cody Gray	(Member at large)
John Temple	(Member at Large)
Linda Murray	(Alternate at Large)
Jean Beadle	(Select Board Representative)
Kathy Garry	(School Board Representative)