

Town of Moultonborough



**Town Administrator's
FY 2020 Operating and Capital
Budget Recommendation
December 6, 2019**

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 2020 fiscal year operating and capital budgets and advise you that our 2019 fiscal year is going well.

As of November 30, 2019 with 92% of FY19 complete we have expended 83% of the operating budget. The following unanticipated factors have impacted the expenditures in the current year operating budget:

1. An extended winter season and excessive rain in the spring.
2. Higher than average legal expenses including several utility property tax abatement and land use cases.
3. Several vacancies in both full time and part time positions during the year which affects both in salaries and benefits costs.
4. A minimal number of calls for human services.

Department heads have been asked to look at expenditures budgeted for FY20 that can be purchased from the remaining FY19 budget resulting in removal from the FY20 proposed budget but to keep them to a minimum. I anticipate we will expend approximately 92% of the FY19 budget by year end.

Summary Continued

Fiscal Year 2020

With the Select Board considering a proposal to the legislative body to change to a July 1 – June 30 fiscal year in 2021, we've made a conscience effort to minimizing or eliminate the use of fund balance in FY20. I am recommending reducing funding to several Capital Reserve Funds (CRFs) and Municipal Trusts (MTs) in 2020 to maintain the current fund balance for use during the fiscal year change process. This will also require the need to finance certain capital expenditures typically paid from fund balance over the past several years along with the use of CRFs and through taxation.

For the operating budget as a stand-alone item, the bottom line is a recommendation of \$8,449,040.16 for FY 2020. This is an increase of approximately 6.3% or approximately \$498,871 over FY 2019 on a gross basis (excluding Library). The proposed capital budget of \$1,991,478 is down significantly over the FY19 approved amount of \$4,737,404. as a result of reductions in funding to several capital items for the DPW, Fire Department due to scheduling and some reductions or elimination of contributions to several CRFs and MTs to address preserving fund balance. This does not include two proposed special capital building projects totaling \$5,000,000. Our revenue estimate is down \$427,000 which reflects the reduction in capital spending and reduction in revenues from CRFs and MTs.

FY 20 Overview

Proposed Operating Expenses:	\$8,449,040.00
Outside Agencies:	49,950.00
Proposed Capital Outlay:	\$1,991,478.00
Proposed CR/MT Contributions:	\$1,687,431.00
Proposed Library Budget:	<u>\$ 594,613.00</u>
Proposed Total	\$12,772,512.00
One Time Capital Projects:	<u>\$ 5,000,000.00</u>
Grand Total:	\$17,772,512.00

The Major Cost Drivers:

- **Employee Health Insurance Cost:** Effecting all departments this year is a 7.5% increase in our employee health insurance premiums for FY20. This increase is spread across all departments.
- **Executive Administration:** this budget is up 10% mostly due to the added one-time cost of \$40,000 to complete the scanning of the property record files.
- **Town Clerks Office:** As part of the Town Clerk's succession plan, the current clerk position has been changed to a fulltime position and the part time position is being retained. The results is a 31% increase over FY19.
- **Land Use:** Due to the excessive volume of activity in the Code, Compliance and Health Officer, a fulltime assistant is proposed to manage the volume of building and compliance activity now in town and as a secession plan for the future.

Major Cost Drivers cont.

- **Police:** This budget reflects a 12.7% increase mostly in wages and benefits for an additional School Resource Officer requested by the school district. Approximately 60% of the SRO cost will be offset by revenue from the school district for the second SRO. Other impacts include changes to benefits for five new hires in 2019.
- **Elections:** With a total of four elections including town meeting in 2020, this budget is up 236% over 2019 which only had one election. Most of the increase is for labor for the supervisors, ballot clerks and election workers.

The Major Cost Savers & Offsets:

- **Human Services:** This budget is lower again this year by 26% as the request for financial assistance continues to be low in this good economy though we continue to assist folks in need on a monthly basis.
- **Fire Department:** Although this budget includes an increase in call firefighter wages and the introduction of “on call” stipends, with the payoff of the 2015 mini-pumper lease payment, this budget is reduced by 1.6%
- **Assessing:** The Assessing budget is down 9.5% this year mostly due to a change in personnel which effected the wages and benefits lines.

Major \$ Initiatives

DPW:

6 Wheel Dump Truck w/Plow Wing and Sander	\$ 180,000
19.5KGVW Truck w/Plow Wing and Sander	\$ 120,000
2020 Road Reconstruction Projects	\$ 950,000
Repairs to Lees Mills Retaining Walls:	\$ 290,000
Emergency Replacement of Transfer Station Loader:	\$ 217,000
Improvements and Addition to Former Lions Club Building	\$1,500.000

Public Safety:

Fire:

Brush Truck Replacement:	\$65,300.00
Slide in Brush Unit:	\$11,500.00

Police:	Replacement Cruiser	\$ 42,930
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Major \$ Initiatives (cont.)

Recreation

Ice Rink Improvements	Phase II	\$ 81,500.00
New Community Center		\$3,500,000.00

Conservation

Milfoil Eradication	\$ 160,000.00
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The Looking Ahead:

Holdover /Continuing Issues:

- **Managing Employee Health Care Benefit Costs**

An Optional plan for Town Funded Deductibles were offered in FY19 with some success. More changes in 2020 for future hires.

- **Completing the Pathway Project**

Contributions to the CRF is proposed in FY20 for phase III. A capital fund raising effort is pending development of final plans.

- **Completing States Landing Beach Improvements**

Swim area dredging, boat ramp and dock under construction. Plans for additional phases and cost for completion to be determined.

- **Implement Village Vision Plan**

Construct sidewalks or off-street walking paths to encourage residential & commercial growth in village area.

- **Former Taylor Property:** Determine future use and cost for development.

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
- **Changing to an Alternate Fiscal Year:** Yes/No? Determine schedule, method and estimated cost for implementation.
- **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...