

Town of Moultonborough



Town Administrator's
FY 2018 Operating and Capital
Budget Recommendation
November 29, 2017

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 2018 fiscal year operating and capital budgets and advise you that our 2017 fiscal year is going very well.

As of November 22, 2017 with 91% of FY17 complete we have expended 80% of the operating budget. The following unanticipated factors have impacted the expenditures in the operating budget:

1. A number of ice and snow events last winter. The March 14th winter storm Stella.
2. Lower legal expenses as no matters are pending against the Town at this time except 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 FY18 that can be purchased from the remaining FY17 budget resulting in removal from the FY18 proposed budget. I anticipate we will expend approximately 92% of the FY17 budget by year end.

Summary Continued

Fiscal Year 2018

In order to continue to address the fact that our fund balance amount at the end of FY16 (\$5,550,694) still far exceeds the 12.5% (currently 19.26%) recommended fund balance policy amount, I am recommending using \$1,539,000 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 \$557,047 in excess fund balance above the 12.5% target which is currently \$3,454,647. (This estimate is prior to year end and final audit of FY17 I expect it will 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 \$8,291,184 for FY 2018. This is an increase of approximately 2.23% or approximately \$184,587 more than FY 2017 on a non-adjusted basis (including Library). The capital budget is up significantly (\$1,897,845) as a result of a one time expenditure for the village sidewalk construction, a new \$435,000 fire truck, and some additional contributions to capital reserve account to address the higher fund balance. Revenue is up \$514,100 including the anticipated use of fund balance noted above.

FY 18 Overview

Proposed Operating Expenses:	\$7,731,237.00
Proposed Capital Outlay:	\$3,365,445.00
Proposed CR/MT Contributions:	\$2,079,000.00
Proposed Library Budget:	<u>\$ 559,947.00</u>
Proposed Total	\$13,735,629.00

Overview Continued

	FY17	Proposed FY 18
Operating Budget:	\$ 7,565,108.00	\$ 7,731,237.00
Capital Outlay:	\$ 1,605,000.00	\$ 3,365,445.00
CR/MT Contributions:	\$ 1,941,600.00	\$ 2,079,000.00
Library:	<u>\$ 541,489.00</u>	<u>\$ 559,947.00</u>
Totals:	\$11,653,197.00	\$ 13,735,629.00

The Major Cost Drivers:

- **Emergency Lane Winter Maintenance:** With no increase in the hourly contract rate for plow contractors in three years a 3% increase has been added to the rates for 2018 as well as an increase in the plow equipment reimbursement. The increase totals \$46,540.
- **DPW Highway Department:** Up \$121,482 or 7.5% which is due to adjusting salt and sand usage that was underestimated in prior years versus the actuals, a cost increase in salt and new contract rates for sand, gravel, and processed materials all account for the majority of the increase plus, with Town forces taking on more maintenance projects previously done by contractors, the need to lease heavy equipment for a longer term is also a contributing factor.
- **Elections:** Up \$24,930 or 72.5% due to number of elections in FY18 versus FY17. (1 vs 3)
- **Transfer Station:** Up \$32,157 due to a 4% increase in disposal and hauling prices and one added seasonal staff person.

The Major Cost Savers & Offsets:



- **Assessing:** -25,053.00
Reduction in contract services for utilities and changes in benefits for staff.
- **Land Use Services** -\$28,911.00
Changes in staff benefits
- **Human Services:** -\$23,295.00
Reduction in staff time
- **Police Dept.:** - \$20,850.00
Reduction in benefit cost and adjustment to fuel usage

Major \$ Initiatives

DPW:

6 Wheel Dump Truck w/Plow and Sander	\$ 180,000
Village Sidewalk Project:	\$ 670,000
2018 Road Reconstruction Projects	\$ 900,000
Multi Use Tractor:	\$ 185,000
GPS Survey Equipment	\$ 45,000

Public Safety:

- **Fire:** Pumper Truck  \$ 434,175
- **Police:** Replacement Cruiser  \$ 46,200

Major \$ Initiatives (cont.)

Village Development

- Taylor Property \$250,000

Recreation

- Kraine Meadow Park Improvements \$125,070
- Coach Bus (28 passenger) \$ 28,000

Conservation

- Milfoil Eradication \$ 200,000
- Red Hill Watershed Property Purchase \$ 100,000

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**
Town Funded Deductibles – Higher Co-pays
- **Completing the Pathway Project**
Develop a CRF and capital campaign to complete
- **Completing States Landing Beach Improvements**
Restore swim area – Address runoff and parking – Passive activities
- **Implement Village Vision Plan**
Construct sidewalks – Encourage residential & commercial growth
- **Town Marketing Plan**
Engage marketing firm – Develop marketing plan & materials

The Looking Ahead cont.:

Challenges to be addressed

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

More infrastructure, i.e. wastewater system? Less Building?

And Now...

The Details in the Book...