



## Town of Enfield

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To: Enfield Residents

From: Katherine Stewart, Chair, Board of Selectmen;  
Samuel Eaton, Chair, Budget Committee;  
Ryan J. Aylesworth, Town Manager

Date: July 6, 2020

RE: Proposed Adjustments to the 2020 Operating Budget

We are issuing this memorandum jointly on behalf of the Town of Enfield's Board of Selectmen, Budget Committee and Office of the Town Manager.

Over the past several months the Town administration has been working closely with municipal department heads to analyze and reevaluate the 2020 budget (which was formally approved by the Board of Selectmen and Budget Committee on February 4 and 5, 2020, respectively) as a result of the COVID-19 pandemic and associated financial/economic impacts and shifting landscape more broadly.

From the moment that COVID-19 was classified as a pandemic, municipal officials began revisiting the proposed operating budget and capital item requests and evaluating the Town's needs in light of the new and evolving realities we face. Town administration asked all departments to examine how spending patterns/priorities have already been changed due to COVID-19 and how that will continue to play out as the budget year progresses.

In recent weeks, local officials have been incorporating this new information into a fresh analysis of the Town's 2020 budget so that corresponding amendments can be offered at Town Meeting on July 11. It is important to note that is not a mechanism for municipalities to amend their Town Meeting warrants prior to convening a Town Meeting. For all intents and purposes, the information contained in the Town Meeting warrant approved in February is final, and a well-organized sequence of planned amendments has been planned in order to make the changes local officials believe are prudent. Recommended changes and associated actions to be taken on the floor of Town Meeting are contained in the accompanying table.

At present, there continues to be uncertainty and differing forecasts when it comes to the mid- to long-term financial impacts of COVID-19. Fortunately, up to this point, the financial impact on the Town's finances have not been as significant as was originally forecasted. Rates of collection for property taxes and other sources of local revenue are largely keeping track with historic averages. No one has a crystal ball, and the best we can do is chart a course based on the data/information we have available and err on the side of being somewhat risk averse in our analysis.

In going through the 2020 revenue budget, once we account for certain eligible expenses that Enfield is permitted to pursue reimbursement for under the GOFERR Municipal Relief Fund, we are estimating that non-property tax revenues in the General Fund will come in approximately \$18,000 under what was estimated when an operating budget proposal was finalized in February of this year.

With the potential for a modest non-property tax revenue shortfall in mind, we went about identifying areas of possible adjustments in the 2020 expenditure budget. In summary, we have identified possible adjustments spanning nearly 70 object codes (line items) in the expenditure budget that would enable us

to achieve a net reduction of approximately \$126,000 in expense, while simultaneously maintaining relatively high-quality core municipal services. This necessitates making a number of sacrifices, including refraining from backfilling two full-time vacancies (one in PD and one in DPW) at the present time. The details surrounding possible areas of budget adjustments are identified in separately enclosed revenue and expenditure reports.

During a joint meeting on July 6, the Board of Selectmen and Budget Committee officially voted in favor of the budget recommendations presented by the Town Manager. The intent is to amend the corresponding warrant article (Article 15) and have the residents of Enfield vote on this new/revised budget at the July 11 Town Meeting.

**The revised overall budget is \$6,727,966 in contrast to the \$6,936,460 budget approved by the Budget Committee in February. Of particular note, the General Fund operating budget, which is the portion of the budget primarily funded from property taxes, would be amended to roughly \$5.49 million. This represents a 0.26% reduction in appropriation vs. the 2019 approved budget of \$5.51 million.**

**We are also striving to avoid the need for any increases in municipal portion of property tax rate during this time of economic uncertainty. The rate was set at \$7.33/\$1,000 in assessed value in 2019. If we take into account the projected \$18,000 revenue shortfall and corresponding roughly \$126,000 net reduction in proposed expenditures, this results in a projected 2020 property tax rate of \$7.29 (-0.60%) to \$7.36 (0.39%) per \$1,000 in assessed value.**

The Town of Enfield's Board of Selectmen, Budget Committee and Town Manager jointly support adoption of the 2020 operating budget as stated in this document. What we have outlined above is only intended to serve as a general summary, and we will be happy to discuss this matter in more detail during the annual Town Meeting on July 11, 2020.