

Enfield Budget Committee

2014 Municipal Budget Proposal

Town Meeting March 15, 2014

“To assist voters in the prudent appropriation of public funds”

ENFIELD 2014 BUDGET PLAN

Objective: To develop a responsible budget for the Town

- Maintain services
- Support Enfield's QoL experience
- Reinforce Town efficiencies
- Minimize impact on tax rate

Summary of 2013

- TM approved proposed budget with 2.0% tax increase
 - projected tax rate = \$6.14/\$1000 valuation
 - actual tax rate = \$6.14/\$1000
- Maintained town services @ 2012 levels
 - no major budget surprises
- Avg. tax rate increase 2009-2013 ~ 2.2% per year
 - 8% increase in 2010 (deferred capital equipment)
 - Range 0% - 8% per year
- CIP rolling 15-year capital plan to smooth tax rate
 - funded CIP reserve fund (CIP-RF)
 - leased 1 police cruiser to leverage cash flow

Town Financials are Fundamentally Sound

- **Low debt level**

- \$4.4M outstanding debt (Route 4, water/sewer, CIP plan)
- CIP projects, \$1.1M (Jones Hill Rd, rolling stock purchases)

- **Undesignated Fund (UF) is adequate**

- \$720K (5.3% retainage: NH guideline 5-15%)
- Target retainage: 7% of local, county, state appropriations
- Do not recommend use of UF for 2014 budget

- **Comparably high rate of property tax receipts
(95-97%) in 2013**

2014 Budget Process

Overall Town and Regional Economy

- Entering 7th year of weak economy
- Some recovery underway, slow and incomplete
- Housing market still sluggish
- For many households, future finances uncertain

Initial Target: To keep any tax rate increase $\leq 2\%$

- ~ avg. last 5 yrs and ~ rate of inflation

Considerations for 2014

2013 was 8th year of lower/flat non-property tax revenue

- car registrations: 2005, \$799K; 2008, \$578K, 2013, \$793K
- misc. fees/taxes, investment/lease income, revenue from NH
- expecting no important improvement in 2014

Significant funding challenges continue

- health insurance premiums up 9% for 2014, future increases likely
- state funding is down ~\$175K/yr vs. 2005 (grants, retirement fund)
- energy costs, general cost of doing business (inflation)

Continued challenging needs (roads, capital reserves)

- long-term capital/financing plan (CIP) in place and working well

Capital Improvement Program (CIP) Plan

- 2014 is 3rd year of CIP committee and plan
- Conducted annual review and adjusted as needed for 2014
- Funded CIP reserve fund as planned in 2013 (now @ \$326K)
- \$1.1M current liability (Jones Hill Rd., rolling stock purchases)
 - financed through loans, leases, CIP-RF, other reserve funds
- \$5.9M in projected capital needs next 15 years (Fire, Police, DPW)
- 15-year capital plan on target to avoid 'big' tax years

CIP Committee Recommendations for 2014

Vehicles and Equipment

- One new police cruiser as per usual replacement schedule
- Two 1-ton dump trucks/lightweight plows (replace '97 & '99 trucks)
- One 6-wheel dump truck/plow (replace '09 Sterling)

Lease/purchase: (add \$117K to existing leases; \$295K new liability)

No major infrastructure projects planned; 2 possible for 2015

- Replace Lovejoy Brook Road culverts (75% funded by grants?)
- Boat launch ramp and parking lot (\$10K for project permits/engineering)

Recommended 2014 budget is dependent on 'CIP Plan'

- EBC/CIP Warrant Articles 9-13

2014 is a Town-wide Revaluation Year (every 5 years)

- Anticipate total Enfield valuation will drop 5-8%
- New tax rate in November, 2014 will rise by roughly that amount to compensate for lower valuation to meet funding needs
- Will not impact total amount appropriated or raised by taxes
- Individual property tax bills will not change **unless** the individual property value increases or decreases relative to the **overall** change in total Town valuation

2014 Final Operating Budget Proposal

Estimated Tax Rate*

Total Appropriations	\$5.83 M
Expected non-property tax revenue	- \$2.43 M
Adjustments (tax abatements, credits)	+ \$0.07 M
 To be raised from property taxes:	 \$3.47M

*incl. water/sewer and 'CIP Plan Articles'

Projected Tax Rate

- \$6.24 per \$1000 valuation (~ \$6.80/\$1000 after reval.)
- 1.6% increase vs. 2013

Highlights of Proposed 2014 Budget

- **Near level operating spending across departments**
 - all current Town activities and services maintained
 - personnel costs largely in check but remains a challenge
 - unchanged staffing level (maximal 2% merit raises)
- **Routine maintenance of roads and buildings**
 - partial painting Enfield Center Hall, Community Bldg. acoustics
 - repairs and replacement upgrades to physical plant items
- **New/replacement equipment**
 - replace 3 DPW trucks/snow plows
 - replace one police cruiser
- **Continue contributions to CIP capital reserve (CIP-RF)**
 - \$291K into CIP-RF (retired DPW loan; carryover 2011 equipment, and the 3nd annual 5-cent tax increase to support CIP 15-year plan)

2014 Enfield Budget Proposal

The Budget Committee recommends a budget with a tax rate of **\$6.24* *per \$1000 property valuation*** (includes CIP Plan)

* Approx. \$6.80/\$1000 after revaluation

- *1.6% rate increase vs 2013; ~ \$54K new spending*
- *0.8% CIP plan; 0.8% operations*
- *\$20 per \$200K property*

2013-14 Enfield Budget Committee

Fred Cummings (Ex-Officio)

Sam Eaton (Vice-Chair)

Annabelle Bamforth

Shirley Green

Gayle Hulva

Paul Mirski

Doug Pettibone (Chair)

Lori Saladino

Janet Shepard

Dave Stewart

Administration Liaison Steve Schneider, Town Manager

The Committee appreciates with thanks the Town Administration and Employees for their input, cooperation and dedicated service to the Town.