

Town Council Proposed Budget

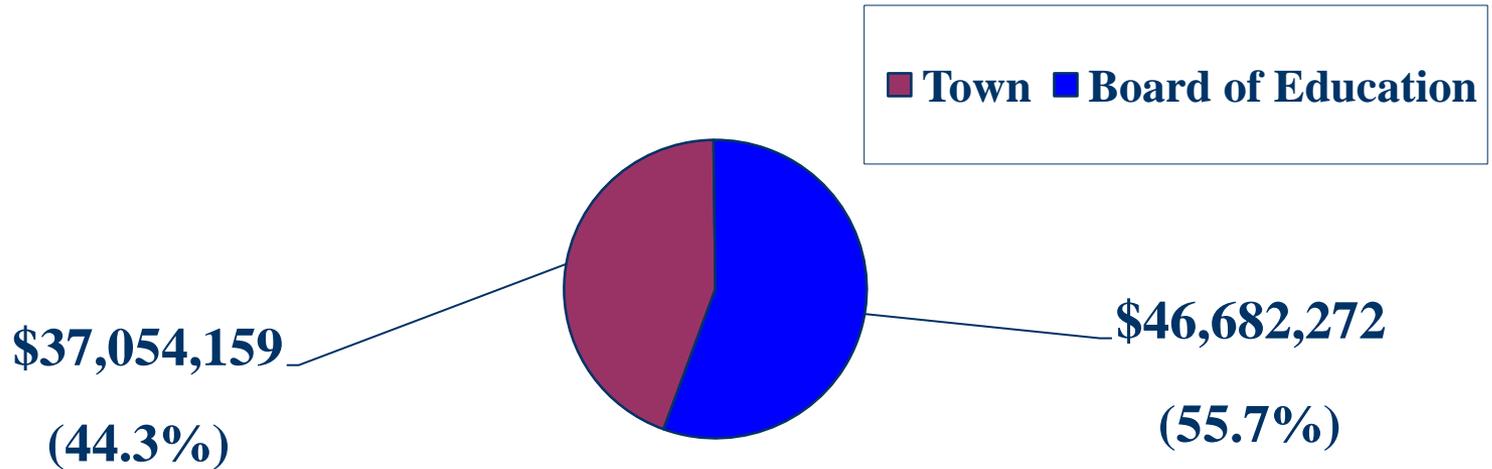


Fiscal Year
2016-2017

March 29, 2016

Proposed Budget

\$83,736,431



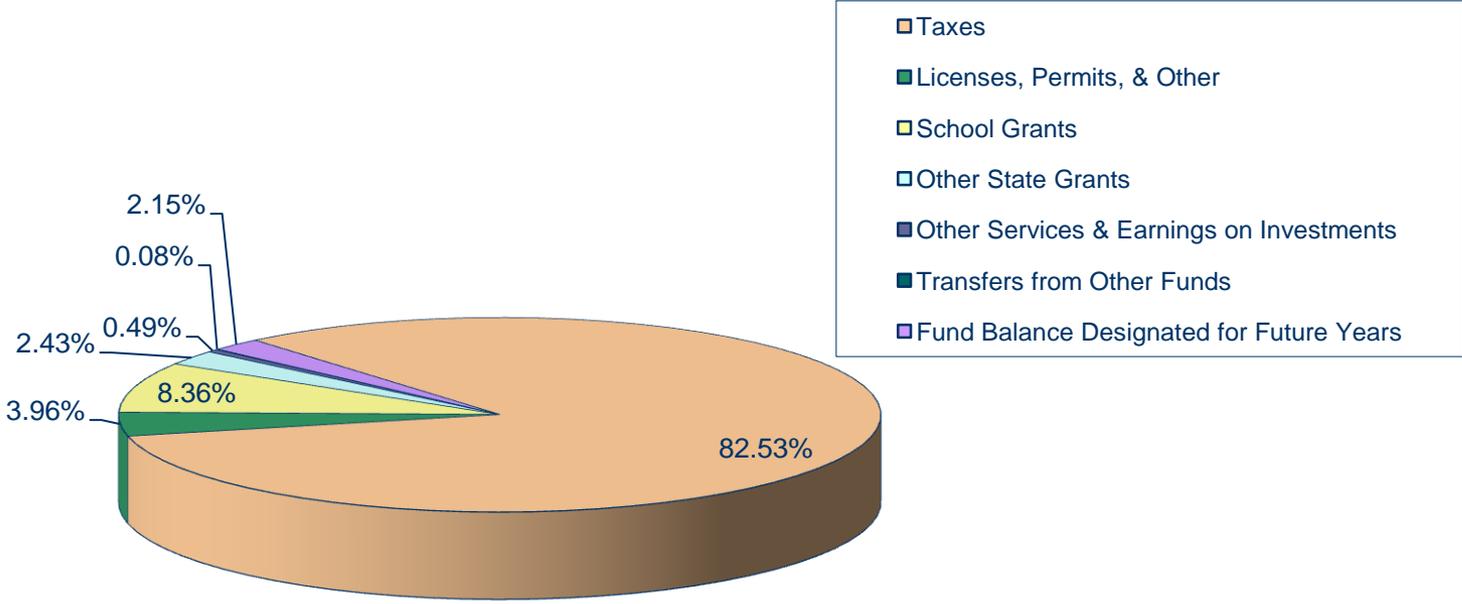
Notes

- BoE includes other education expenses in the Town side of the Budget - Depts 59, 61 and SRO
- ALL debt service is included in the Town side of the Budget

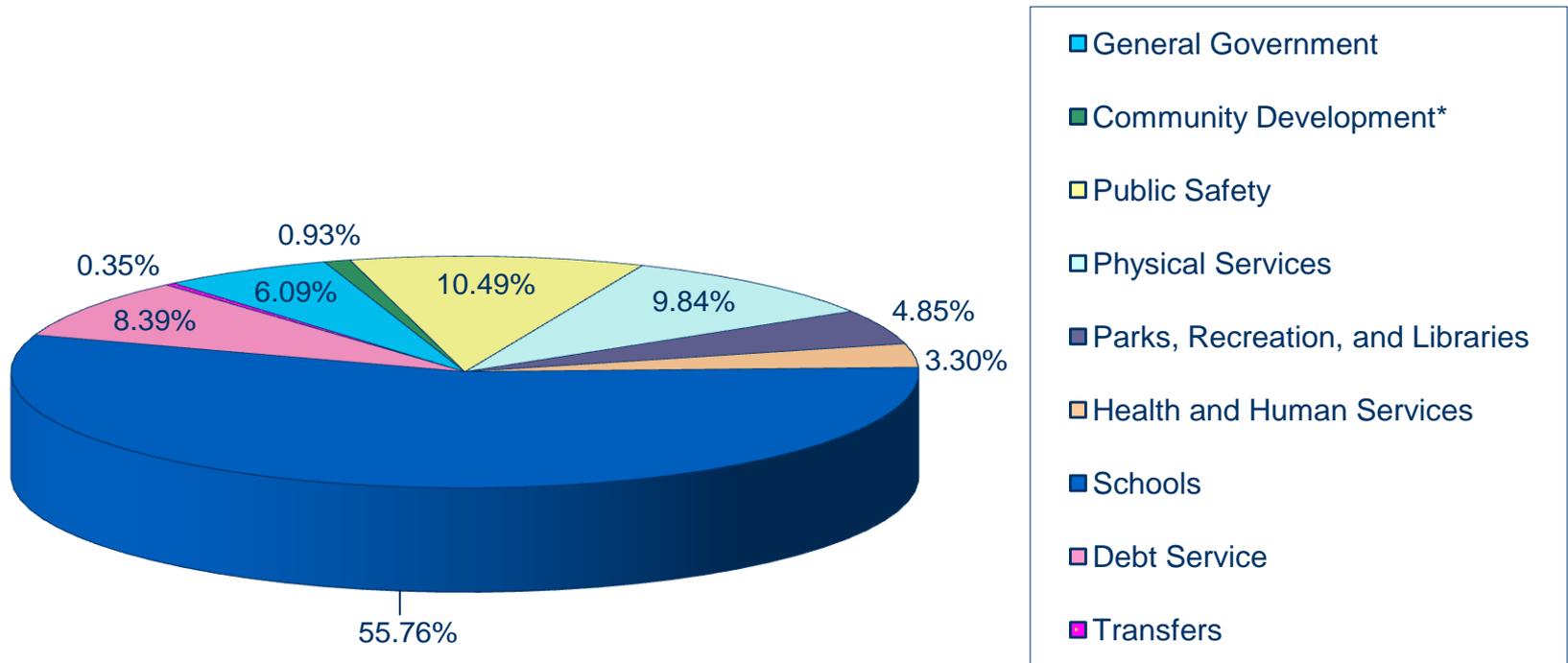
Creation of Grand List

- The Assessor maintains, updates and continually reviews records for all real estate, personal property and automobiles into Berlin's Grand List.
- He compiles the List and computes its value as of January 31st every year.
- The Grand List is the basis for computing Berlin's Current Revenue and resulting mill rate.
- The Grand List base for the proposed budget is \$2,189,057,488. This was an increase of just .56% over last year which generated \$260,000 in additional revenue.

Revenues by Source



Expenditures by Type



*Community Development includes Planning Department, Planning & Zoning Commission, Zoning Board of Appeals, Economic Development, Conservation Commission, Inland Wetlands Commission, Veterans Commission, Aquifer Protection Commission, Historic District Commission, and Public Building Commission.

School category includes the budgets for the BoE (Dept 60), as well as BoE related expenses on the Town side of the budget for departments 59, 61 and SRO.

FY17 Budget Strategic Priorities

- **School Safety and Security** – funding included for: enhanced security at McGee and Elementary School vestibules; repair of BHS tennis and basketball courts; new BHS generator; improvements to HVAC and air quality at Willard School
- **Public Safety** – funding included for: roadway and bridge improvements, Police radio system replacement, Fire vehicles and Fire protective equipment

Town and BOE Requests (\$ in Millions)

	<u>Dept Request</u>	<u>Mgr Approved</u>	<u>Council Approved</u>
BoE (Dept 60)	\$42.6	\$42.6	\$42.4
School Exp. (Dept 32/59/61)	5.8	4.7	4.3
Total Education	\$48.4	\$47.3	\$46.7
Town	31.6	30.9	29.7
Town Prin/Int (Dept 63/65/67)	2.3	2.3	2.3
School Prin/Int (Dept 64/66)	5.0	5.0	5.0
Total Budget	\$87.4	\$85.6	\$83.7

Town Manager/BOE Reductions

(\$ in Millions)

Department Requests	\$87.880
BoE Capital/Site & Building – Dept 61	(1.070)
Capital Items	(.425)
BOE 1% Reduction of Superintendent Budget	(.416)
Various Operational accounts	(.321)
Debt Service	(.087)
Total Reductions	(2.319)
Town Managers Proposed Budget	\$85.561

Town Council Reductions

(\$ in Millions)

Town Manager Proposed Budget	\$85.561
Town - Capital Equip & Projects	(.837)
- Various Operational Accts	(.200)
- Health Insurance	(.084)
- Various Salaries & Fringes	(.024)
BoE - Capital Equip, Site & Bldg	(.445)
- Dept 60 Payroll & General	(.200)
- Nursing Salaries & Fringes	<u>(.034)</u>
Total Reductions	(1.824)
Town Council Proposed Budget	\$83.736

Major Expenditure Changes

(\$ in Millions – vs FY16)

	<u>Amount</u>	<u>Mill Δ</u>
Debt Service – School related	\$1.056	.49
Board of Education	.985	.45
Department 61 reclass (Noresco)*	.428	.20
Capital Items	.251	.12
Wage Negotiations (Sal & Fringes)	.232	.11
Fringe Benefits	.216	.10
Nursing – Homemaking Services	.160	.07
Salaries – Negotiated Contracts	.091	.04
Fuel - Refuse	(.224)	(.10)
Debt Service – Town	(.232)	<u>(.11)</u>
Mill rate impact of major changes		1.37

* Need to make an accounting correction from BOE to Dept 61 in Town Budget. Once accounting correction is made, there will be a zero overall impact to the mill rate.

Explanation – Mill Rate Δ

FY16 vs FY17

Impact of:	<u>Mill Δ</u>
Major expenditure changes	1.37
Other expenditure changes	.03
Increase in non-tax revenues	(.44)
Grand List increase	<u>(.12)</u>
Mill Rate Change FY16 to FY17	.84
Proposed Accounting Correction for BOE-Dept 61	<u>(.20)</u>
Adjusted Mill Rate Change FY 16 to FY17	.64

Debt Service – Background

Bonds outstanding* **\$71.5M**

Issued in 2009, 2011, 2013, 2014 and 2015:

- Approx \$3.9M maturing by 2020 and an additional \$17.3M by 2026
- Remainder maturing by 2035

*Includes interest

Notes outstanding **\$2.9M**

Short Term notes maturing May 2016 include:

- Business continuity projects
- Bridge and sidewalk repair
- Road Improvements

Debt Service

FY17 budget includes issuances in May 2016 for:

1. Bonds: \$16.8 million issue

- Berlin High School renovations * \$12.5 million
- Road Improvements \$2.0 million
- Fire Vehicles \$1.6 million
- Hubbard Roof \$0.7 million

* This brings total BHS bonding to date to \$47 million and will be the last debt issuance for this project.

Principal repayment on these bonds will begin in FY18, which will add \$1.5 million to debt service in FY18.

Debt Service

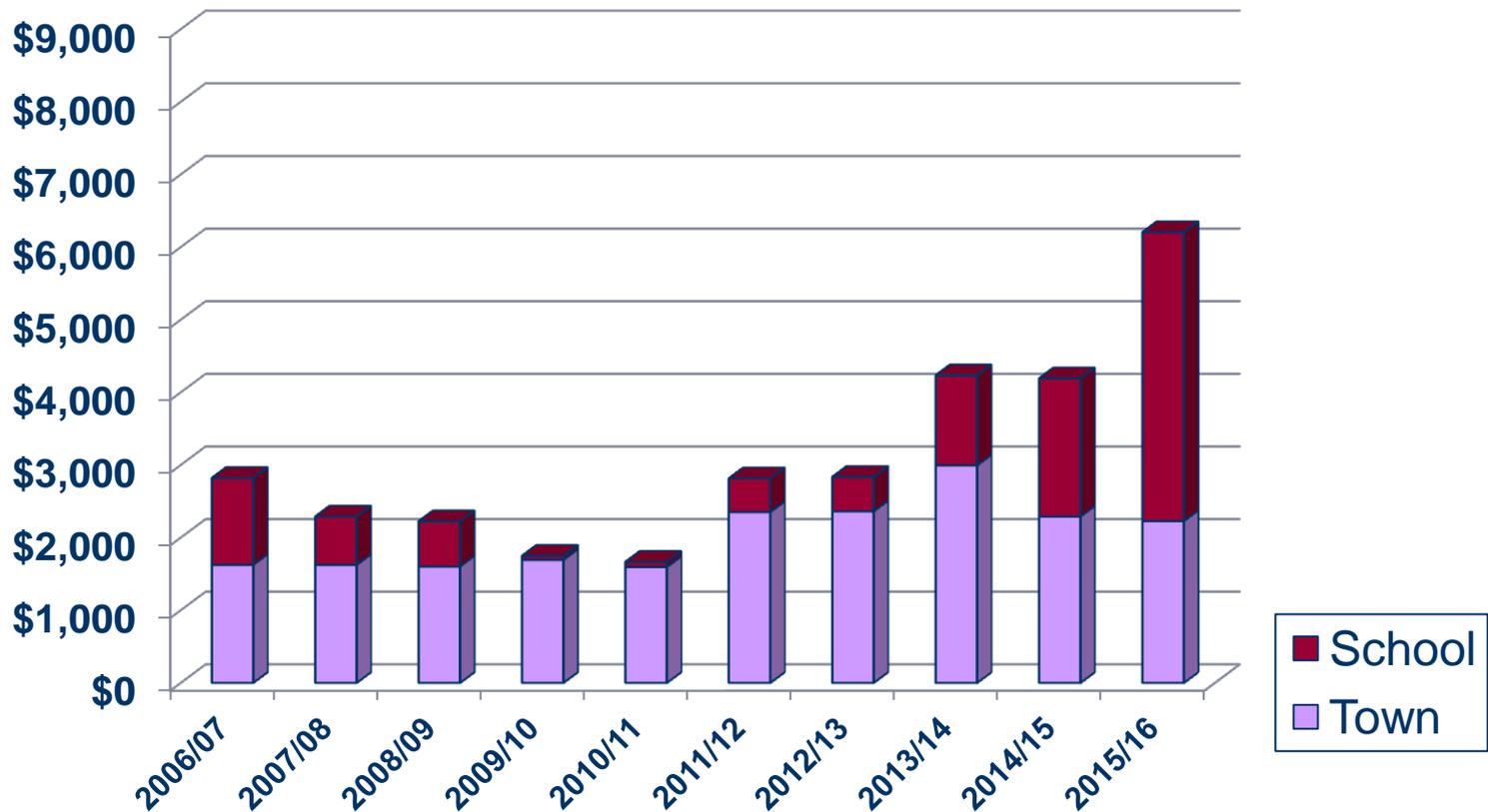
2. Short-Term Notes:

- Rollover \$.9M in existing notes, being paid off over 5 years and not permanently bonded to save on interest.
- Issue \$5.95M of new short-term notes for:

● Police Radio System	\$2.0M
● Road Improvements	\$1.5M
● Ongoing town bridge repairs	\$750K
● SCBA Fire Protective Equip	\$625K
● HVAC Internal Air Qual - Willard	\$500K
● BHS Generator	\$485K
● BHS Basketball/Tennis Court Repair	\$385K
● Railroad Pond Dam Design Planning	\$100K
● Ongoing Business Continuity Initiatives	\$100K

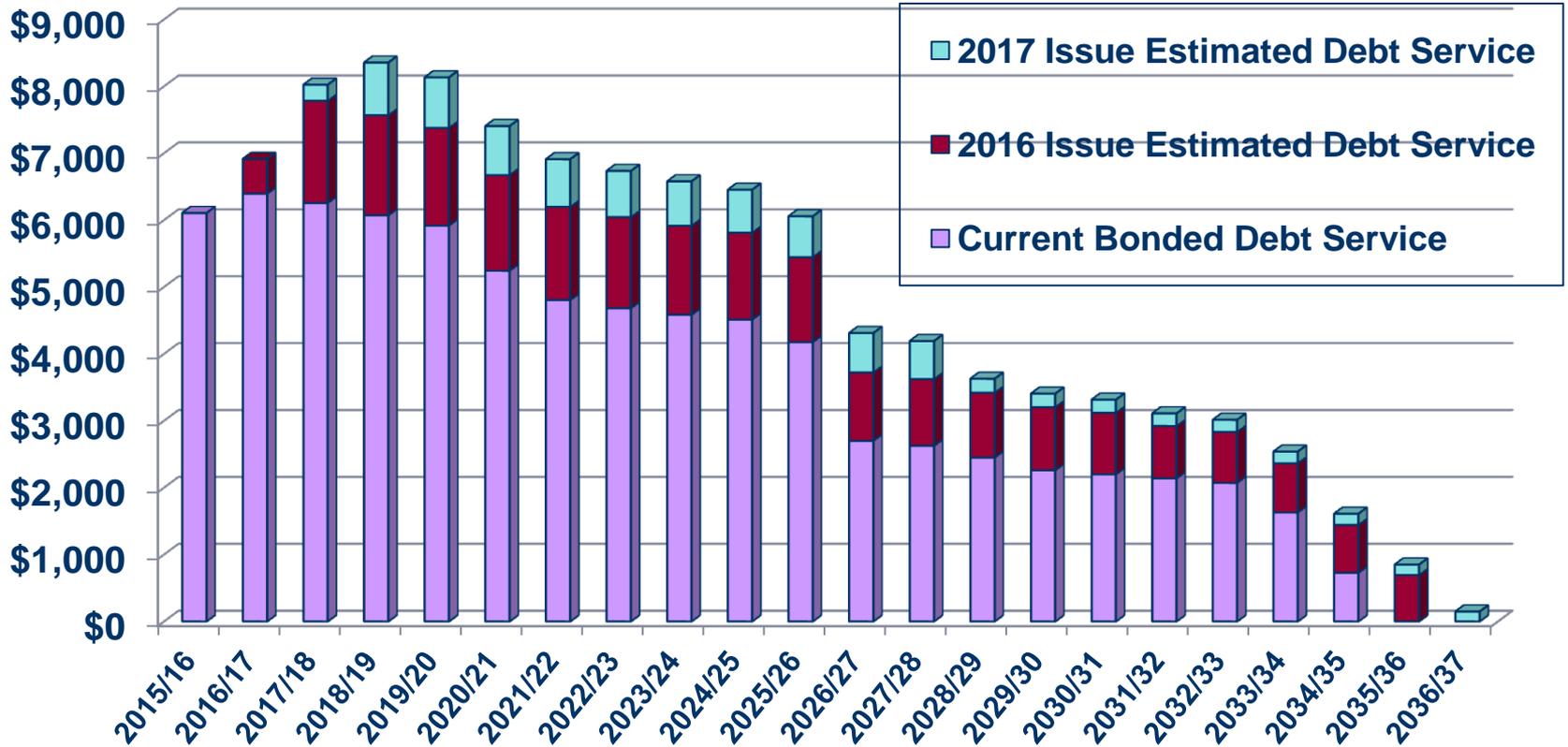
Debt Service History

Past Ten Years
(Dollars in Thousands)



Projected Debt Service

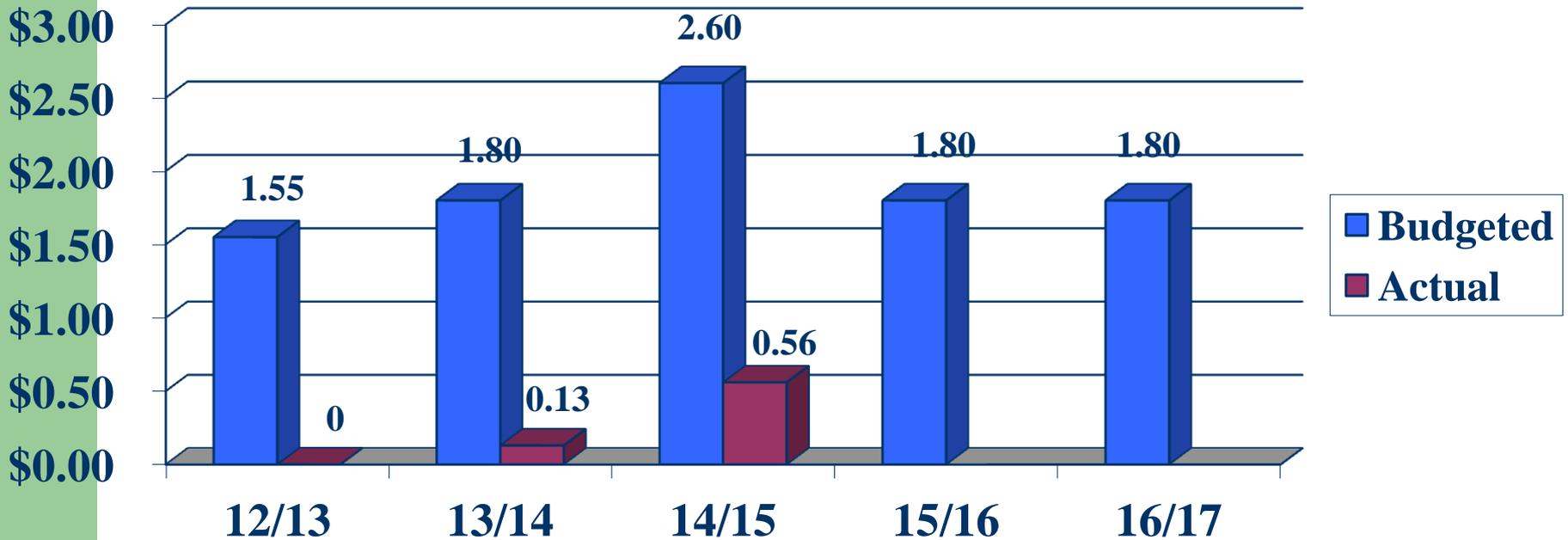
Existing and Future Issues – Est. Principal & Interest
(Dollars in Thousands)



Assigned Use of Fund Balance

Budgeted vs. Actual

(\$ in Millions)



Notes: • Actuals not shown for incomplete/future fiscal years, 15/16 and 16/17.

• 14/15 Use of Fund Balance was increased by \$800,000 to address long term pension liability.

Unassigned Fund Balance as a percent of Budget

<u>Fiscal Year</u>	<u>Unassigned Fund Balance</u>	<u>% of Budget</u>
2010/11	\$8,522,461	12.56%
2011/12	\$9,379,361	13.33%
2012/13	\$10,701,294	14.57%
2013/14	\$9,775,266	12.77%
2014/15	\$10,014,792	13.13%

Notes: • Unassigned Fund Balances are not yet available for fiscal years 2015/16 and 2016/17.

- Unassigned Fund Balance goal - between 11 and 15% of Budget.

Water Control Commission

Revenues	\$5,677,095
Expenses	
Sewer Treatment	1,925,000
Capital expenditures	1,554,000
Purchase Water	630,000
Salaries & Fringe Benefits	756,114
Depreciation Expense	379,321
Pumping Expense	219,700
Source of Supply	30,000
Mattabassett Billing Review*	1,500
Supplies and Services	105,060
Transmission & Distribution	68,600
Transfers & Assessments	<u>7,800</u>
Total Expenses	\$5,677,095

* Mattabassett billing being audited; future rate study planned.

In Summary

- Proposed Budget maintains existing services and includes some strategic measures to control long-term expenditures.
- Expenses controlled to yield: **31.19 Mill Rate**
(30.99 after Dept 61 Adj)

Cost of Your Town Services

\$250,000 House

	<u>2016</u>	<u>Proposed</u> <u>2017</u>	<u>Adjusted</u> <u>2017</u>
Market Value	\$250,000	\$250,000	\$250,000
Assessed – 70%	175,000	175,000	175,000
Mill rate	30.35	31.19	30.99
Tax Bill	\$5,311	\$5,458 (2.8%)	\$5,424 (2.1%)
Change (Annual)		\$147	\$112
(Monthly)		\$12	\$9
(Weekly)		\$3	\$2
1 mill =	\$2,154,177		\$2,167,146

Budget Referendum

April 26, 2016

Please Vote

