

2016 TOWN BUDGET OVERVIEW

OPERATING BUDGET ARTICLE:

During the past few months the Selectmen and Department Heads have worked together to bring forward a lean 2016 Operating Budget which equates to a total increase of 2.63% or \$510,860. The Town's Operating Budget consists of three funds:

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|-----------------------------|--------------------|
| 1. General Fund | \$396,070 increase |
| 2. EMS Special Revenue Fund | \$1,541 increase |
| 3. Sewer Fund | \$113,249 increase |

The only fund which impacts the town's tax rate is the General Fund. The EMS and Sewer Funds are funded by user fees and grants. The 2016 General Fund is an increase of 2.27% or \$396,070. While Health Insurance premiums increased 11.5%, the benefits account lines only increased 7.5% or \$154,232 due to a new cost sharing formula where non-union and Police Department union employees contribute more to their insurance, and due to health insurance selection changes. The other major increase was in CIP which is up 13.6% or \$159,034. These two major increases total \$313,266 which is most of the \$396,070 increase in the General Fund.

SPECIAL ARTICLES:

At this time there are 9 Special Articles plus 2 placeholders for Collective Bargaining Agreements. While these Special Articles will be explained by the departments, committee or agency this is just an overview of the budget impact.

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| 1. Fire Station #18 (funded by bond) | \$2,300,000 |
| The current plan is to finance over the next twenty years. The estimated average bond payment starting in 2017 would be \$177,265. This amount is less than the amount to be retired in bonds in 2016 – the last note payments on the first Landfill Closure and the ARRA Mast Road Drainage Project totals \$255,449 in 2016. So this is good budget planning as this bond would not create a spike in the tax rate. | |
| 2. Fire Apparatus CRF (funded by UFB, no impact on tax rate) | \$225,000 |
| 3. Goffstown Main Street Program | \$20,000 |
| 4. Crispins House | \$20,000 |
| 5. Conservation Comm. Milfoil | \$15,000 |
| 6. SCBAs/Jaws of Life (funded by UFB, no impact on tax rate) | \$280,000 |
| 7. EMS Ambulance (funded by EMS SRF, no impact on tax rate) | \$230,000 |
| 8. Uncanoonuc Dam (funded by UFB, no impact on tax rate) | \$222,488 |
| 9. Reclamation | \$250,000 |

ESTIMATED TAX RATE IMPACT:

There are several factors and assumptions made when estimating a tax rate – expenditures, revenues, town valuation, war service credits, and overlay. The town's conservative revenue estimate shows a slight increase for next year (about \$19,000). The town's increase in valuation this year was .89% and is conservatively estimated at .75% for next year. War service credits and overlay are estimated at the same amount as this year. Using these assumptions the operating article would result in an increase of 29 cents per thousand which equates to an annual tax bill increase of \$72.50 on a home valued at \$250,000.

If all the Special Articles pass, the estimated additional impact would be 23 cents per thousand on the tax rate.

2016 TOWN BUDGET ASSUMPTIONS

Wages:

- No new positions are budgeted
- Non-Union – no steps budgeted; 2% adjustment eff. 7/1/16
- Policemen, Dispatch – 2% per CBAs eff. 7/1/16
- Fire & Teamsters – 0% (in contract negotiations); any increase would appear in Special Articles

Insurances:

- Benefits Account Lines – These budget lines represent health, dental, life, and disability insurances for employees. The Selectmen Budget reflects the actual 2016 rates, the 2015 health insurance plan selections, and the new cost sharing formula for union members at the Police Dept. and all non-union employees. This new cost sharing formula is the second phase of a three phase plan to increase employees' contributions to their health insurance.
- Workers Compensation Rates – The Selectmen budget reflects the 2015 rates based on 2016 estimated wages. The Town has gone out to bid for this insurance, and bids are due Dec. 1, 2015. So these lines are subject to revision before the Budget Committee concludes on the budget.
- Property Liability Insurance – The Selectmen budget reflects 2015 insurance rates. The Town has gone out to bid for this insurance, and bids are due Dec. 1, 2015. So these lines are subject to revision before the Budget Committee concludes on the budget.

Utilities:

- Electricity – The town's contract with ENH Power for the energy portion of our electric rate is .096 kwh and expires on 7/1/16. We anticipate an increase in the energy portion as well as the PSNH distribution portion. The Selectmen budget assumes a 5% increase on the actual bills from 7/1/14 to 6/30/15.
- Heating Oil – This year's heating season contract for heating oil is \$2.249 per gallon down from last year's heating season rate of \$3.15 per gallon. Selectmen budget is based on the actual gallons used for the 2014-2015 heating season times the current rate.
- Propane – This year's heating season contracted rate is \$1.199 per gallon down from last season's rate of \$1.675 per gallon. Selectmen budget is based on the actual gallons used for the 2014-2015 heating season times the current rate.
- Diesel – contracted rate of \$2.379 per gallon (2015 was \$3.15)
- Gasoline – contracted rate of \$2.199 per gallon (2015 was \$2.99)

NHRS:

2016 rates are budgeted as follows:

- Group I – 11.17%
- Group II – Police 26.38%
- Group II – Fire 29.16%