

TO: Honorable Mayor Jack Blalock and City Council Members
 FROM: John P. Bohenko, City Manager
 DATE: June 6, 2019
 Re: Adopted Annual Budget for Fiscal Year 2020
 CC: All Department Heads and Reference Books

The City Council adopted resolution #9-2019, General Fund Expenditures in the amount of \$118,638,630 on June 3, 2019 as shown below.

**CITY COUNCIL’S ADOPTED
 APPROPRIATIONS JUNE 3, 2019**

MUNICIPAL	\$20,343,714
POLICE	\$11,647,381
FIRE	\$9,232,857
SCHOOL	\$49,612,427
COLLECTIVE BARGAINING	\$1,120,000
TRANSFER TO INDOOR POOL	\$150,000
TRANSFER TO PRESCOTT PARK	\$89,000
NON-OPERATING	\$26,443,251
TOTAL	\$118,638,630

The FY 2020 Proposed Budget was submitted to the City Council on April 25, 2019. As a result of budget worksessions held, the City Council’s adopted budget includes reductions of \$1,401,320 from the proposed FY20 General Fund budget.

OPERATING BUDGET ---Decrease of \$261,132

- 1) Public Works – \$40,000
 - a. Reorganization of current Staff for a savings of \$40,000.
- 2) School – \$138,000
 - a. Removal of the proposed Elementary World Language Teacher - \$68,000
 - b. Removed funding for Student Assistant Counselor (after receiving grant) - \$70,000
- 3) Police – \$52,418
 - a. Delay hire of 2 Officers - \$46,014
 - b. Delay the change of the Animal Control Officer from Part Time to Full Time - \$6,404
- 4) Fire – \$30,714
 - a. Delay of hire of 3 Firefighters - \$30,714

NON-OPERATING BUDGET---Decrease of \$1,140,188

- 5) Reduce Debt Service by reschedule of bond issues - \$1,078,438
- 6) Reduce Rolling Stock - \$61,750
 - a. \$25,000 – Public Works Misc Equipment
 - b. \$36,750 – Police Explorer (1)

City Council FY20 Adopted Budget

	FY19 Budget	FY20 City Manager's Proposed Budget	FY20 City Council Adopted Budget	\$Change From FY20 Proposed Budget	\$Change From FY19 Budget	% Change From FY19 Budget
OPERATING BUDGET:						
General Government	19,445,179	20,383,714	20,343,714	(40,000)	898,535	4.62%
Police	11,280,229	11,699,799	11,647,381	(52,418)	367,152	3.25%
Fire	8,966,305	9,263,571	9,232,857	(30,714)	266,552	2.97%
School	48,086,136	49,750,427	49,612,427	(138,000)	1,526,291	3.17%
Collective Bargaining	0	1,120,000	1,120,000	0	1,120,000	
Transfer to Indoor Pool	150,000	150,000	150,000	0	0	0.00%
Transfer to Prescott Park	60,000	89,000	89,000	0	29,000	
Total Operating Budget	87,987,849	92,456,511	92,195,379	(261,132)	4,207,530	4.78%
NON-OPERATING EXPENDITURE:						
Debt Related Costs/TANS	272,000	272,000	272,000	0	0	0.00%
Debt Service Payments	13,603,712	15,277,934	14,199,496	(1,078,438)	595,784	4.38%
Overlay	1,000,000	1,000,000	1,000,000	0	0	0.00%
Property & Liability Ins	363,376	381,245	381,245	0	17,869	4.92%
County	5,741,466	5,741,466	5,741,466	0	0	0.00%
Contingency	300,000	300,000	300,000	0	0	0.00%
Rolling Stock	777,720	945,010	883,260	(61,750)	105,540	13.57%
IT Equipment Replacement	740,908	1,013,428	1,013,428	0	272,520	36.78%
Capital Outlay	1,635,000	1,810,000	1,810,000	0	175,000	10.70%
Use of Bond Premium	1,286,114	0	0	0	(1,286,114)	-100.00%
Other General Non-Operating	587,062	842,356	842,356	0	255,294	43.49%
Total Non-Operating Budget	26,307,358	27,583,439	26,443,251	(1,140,188)	135,893	0.52%
Total Gross Budget	114,295,207	120,039,950	118,638,630	(1,401,320)	4,343,423	3.80%

In addition to the adjustments of expenditures, the City Council authorized the following:

- Utilize \$650,000 from Fund Balance to offset non-recurring capital outlay projects - \$2,500,000.

As a result of the amendments, the adopted FY20 budget will result in an estimated tax rate of \$16.21 per \$1,000 of valuation. This rate is an increase of 37¢ or 2.3% over FY19.

Keep in mind that the tax rate is set by the New Hampshire Department of Revenue Administration in October once all state revenues, property valuation, and the county tax obligation are finalized.

Attached is a revised General Fund Budget Summary for FY20 – Tax Calculation Sheet

GENERAL FUND BUDGET SUMMARY - FY2020

TAX CALCULATION

	FY18 BUDGET	FY19 BUDGET	FY20 City Manager Recommended	% CHANGE FROM FY19	\$\$ CHANGE FROM FY19	FY20 City Council 3-Jun-19	% CHANGE FROM FY19	\$\$ CHANGE FROM FY19
OPERATING BUDGET								
General Government	18,833,111	19,445,179	20,383,714	4.83%	938,535	20,343,714	4.62%	898,535
Police	10,925,161	11,280,229	11,699,799	3.72%	419,570	11,647,381	3.25%	367,152
Fire	8,685,087	8,966,305	9,263,571	3.32%	297,266	9,232,857	2.97%	266,552
School	46,573,529	48,086,136	49,750,427	3.46%	1,664,291	49,612,427	3.17%	1,526,291
Transfer to Indoor Pool	150,000	150,000	150,000	0.00%	0	150,000	0.00%	0
Transfer to Prescott Park	30,479	60,000	89,000	48.33%	29,000	89,000	48.33%	29,000
Collective Bargaining	0	0	1,120,000		1,120,000	1,120,000		1,120,000
Total Operating Budget	85,197,367	87,987,849	92,456,511	5.08%	4,468,662	92,195,379	4.78%	4,207,530
NON-OPERATING EXPENSE								
Debt Related Costs/TANS	275,000	272,000	272,000	0.00%	0	272,000	0.00%	0
Debt Service Payments	13,085,154	13,603,712	15,277,934	12.31%	1,674,222	14,199,496	4.38%	595,784
Overlay	950,000	1,000,000	1,000,000	0.00%	0	1,000,000	0.00%	0
Property & Liability Ins	363,376	363,376	381,245	4.92%	17,869	381,245	4.92%	17,869
County	5,466,000	5,741,466	5,741,466	0.00%	0	5,741,466	0.00%	0
Contingency	250,000	300,000	300,000	0.00%	0	300,000	0.00%	0
Rolling Stock	761,900	777,720	945,010	21.51%	167,290	883,260	13.57%	105,540
IT Equipment Replacement	650,658	740,908	1,013,428	36.78%	272,520	1,013,428	36.78%	272,520
Capital Outlay	1,985,000	1,635,000	1,810,000	10.70%	175,000	1,810,000	10.70%	175,000
Foundation Seacoast Health Land	1,269,148	1,286,114			(1,286,114)	0		(1,286,114)
Other General Non-Operating	491,317	587,062	842,356	43.49%	255,294	842,356	43.49%	255,294
Total Non-Operating Budget	25,547,553	26,307,358	27,583,439	4.85%	1,276,081	26,443,251	0.52%	135,893
Total Gross Budget	110,744,920	114,295,207	120,039,950	5.03%	5,744,743	118,638,630	3.80%	4,343,423
REVENUES								
Municipal	13,879,982	14,630,108	15,816,906	8.11%	1,186,798	15,816,906	8.11%	1,186,798
School	6,369,332	6,516,250	6,569,500	0.82%	53,250	6,569,500	0.82%	53,250
State Revenues	1,576,077	1,736,067	1,744,000	0.46%	7,933	1,744,000	0.46%	7,933
State Revenues-School Building Aid	1,836,305	1,836,305	1,863,246	1.47%	26,941	1,863,246	1.47%	26,941
<i>Use of Fund Balance: Unassigned</i>						0		0
Supplemental Appropriation	27,167	0	0		0	0		0
Budget Process	231,000	0	0		0	400,000		400,000
<i>Use of Fund Balance: Committed</i>						0		0
Property Appraisal	150,000	150,000	150,000	0.00%	0	150,000	0.00%	0
Debt Service Reserve	2,400,000	2,123,000	1,700,000	-19.92%	(423,000)	1,950,000	-8.15%	(173,000)
Supplemental Appropriation	1,269,148	1,286,114	0		(1,286,114)	0		(1,286,114)
Total	27,739,011	28,277,844	27,843,652	-1.54%	(434,192)	28,493,652	0.76%	215,808
BUDGETED PROPERTY TAX LEVY	83,005,909	86,017,363	92,196,298	7.18%	6,178,935	90,144,978	4.80%	4,127,615
War Service Credits	483,133	505,833	563,833	11.47%	58,000	563,833	11.47%	58,000
Adequate Education Formula	(11,178,117)	(11,904,407)	(11,438,069)	-3.92%	466,338	(11,438,069)	-3.92%	466,338
State Education Tax	11,178,117	11,904,407	11,438,069	-3.92%	(466,338)	11,438,069	-3.92%	(466,338)
ASSESSED VALUATION WITH UTILITIES	5,468,344,022	5,567,674,277	5,617,674,277	0.90%	50,000,000	5,617,674,277	0.90%	50,000,000
ASSESSED VALUATION NO UTILITIES	5,245,306,209	5,379,653,767	5,429,653,767	0.93%	50,000,000	5,429,653,767	0.93%	50,000,000
MUNICIPAL & SCHOOL TAX RATE	12.22	12.64	13.45	6.42%	0.81	13.08	3.49%	0.44
COUNTY TAX RATE	1.03	0.99	1.02	3.53%	0.03	1.02	3.53%	0.03
STATE EDUCATION TAX RATE	2.13	2.21	2.11	-4.68%	(0.10)	2.11	-4.68%	(0.10)
COMBINED TAX RATE	15.38	15.84	16.58	4.69%	0.74	16.21	2.35%	0.37