

Fiscal Year 2021-2022 Proposed Budget

APRIL 5, 2021



City

Presented by:
Robert M. Belmore, City Manager



School

Presented by:
Dr. Robert Gadomski, Superintendent of Schools



Introduction

My thanks to all City Departments, Department Heads and Staff for their efforts during the entire Budget process, and to Finance Director Smith for his assistance in developing this Proposed Budget in accordance with the City Charter.

Focus

This Presentation's Focus is Aimed at Providing an Overview to the Proposed City Budget & School Department Budget

FY2021-2022 Budget has been prepared in accordance with Section 7.4.1 of City Charter “Limitation on Budget Increase” (aka Tax Cap):

- Real Estate tax revenue is limited to a factor no more than the change in the National CPI – Urban which is 1.23% for the calendar year 2020.
- Plus, when annual changes in real estate values occur, real estate taxes may be further increased by applying the prior year's tax rate to the net increase in new construction.
- Annual Budget - Article VII and Article X of the City Charter
 - City Manager must present Budget to Mayor and Council by March 15.
 - City Manager reviewed Budget requests with Department Heads and Key Staff, adjusted departmental requests while maintaining the objective of keeping the budget efficiently funded to maintain core City services.
 - School Board's adopted Budget from Superintendent's proposal.

Tax Cap - Summary

▪ FY21 Amount raised by taxes	\$ 30,376,510
▪ Add: Amount of increase for CPI (1.23%)	\$ 373,630
▶ Amount allowed for Net Construction Value	<u>\$ 724,100</u>
Amount allowed to be raised by taxes FY22	\$ 31,474,240
▪ Estimated amount to be raised by taxes with proposed FY22 Budget	<u>\$ 31,456,659</u>
▪ <u>Estimated Amount Under Tax Cap</u>	<u>\$ 17,581</u>

Budget notes

► Departments-General Fund Budget

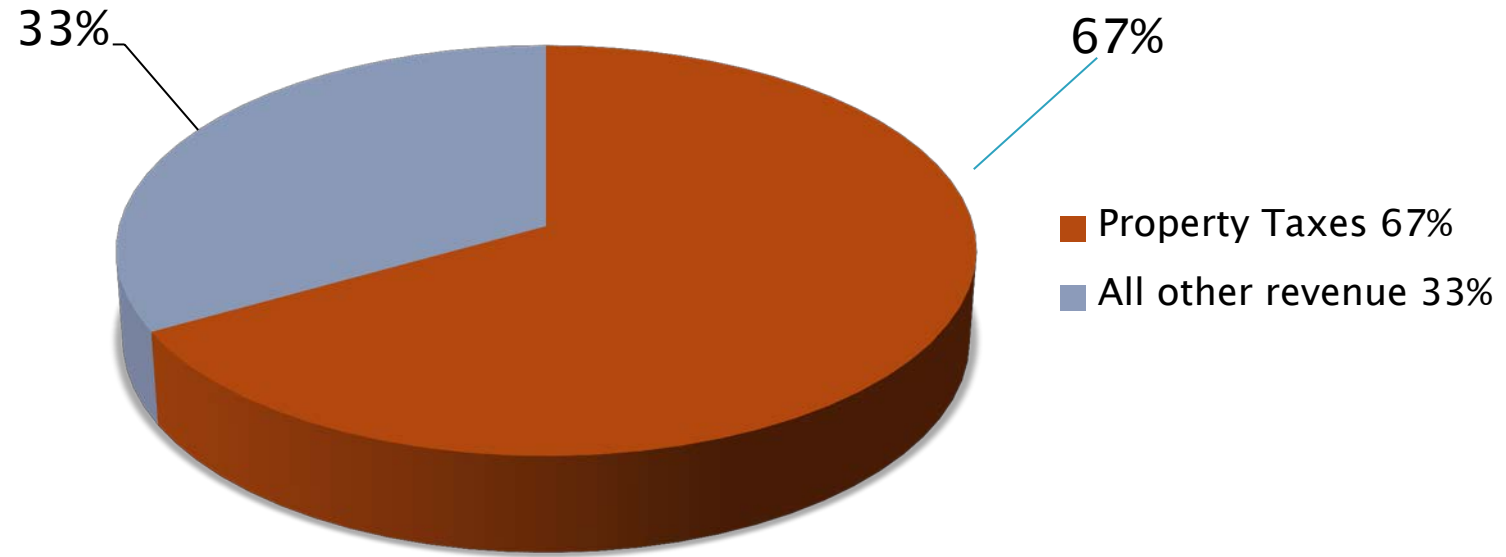
- **Gross G/F Budget reflects an increase of \$388,116. 2.77%.**
 - Salaries and associated payroll driven costs such as FICA increased \$577,769.
 - NH State Retirement increase of \$300,916 is main driver of salary and benefit increases.
 - Capital outlay decreased (\$196,225).
 - All other operating expenses decreased (\$41,387).
 - Debt Services and Capital Leases increased \$55,459.
 - No proposed staffing changes for FY2022.

2021-2022 Proposed Budget Revenue Estimates

Category	20-21 Budget	21-22 Proposed
Taxes & Penalties	30,439,898	32,108,081
Licenses, Permits, Fees	1,869,975	2,019,975
Intergovernmental	1,088,365	676,188
Education	10,810,171	8,784,156
Other Revenue	818,163	778,161
Use of Fund Balance	800,000	1,050,000
Total Revenue	45,826,572	45,416,561

City General Fund Revenue

City Revenue = \$14,697,175



- Property Tax revenue continues to be the main source of support for City Appropriations.

2021-2022 Proposed Budget

Budget Structure - Appropriations

General Fund

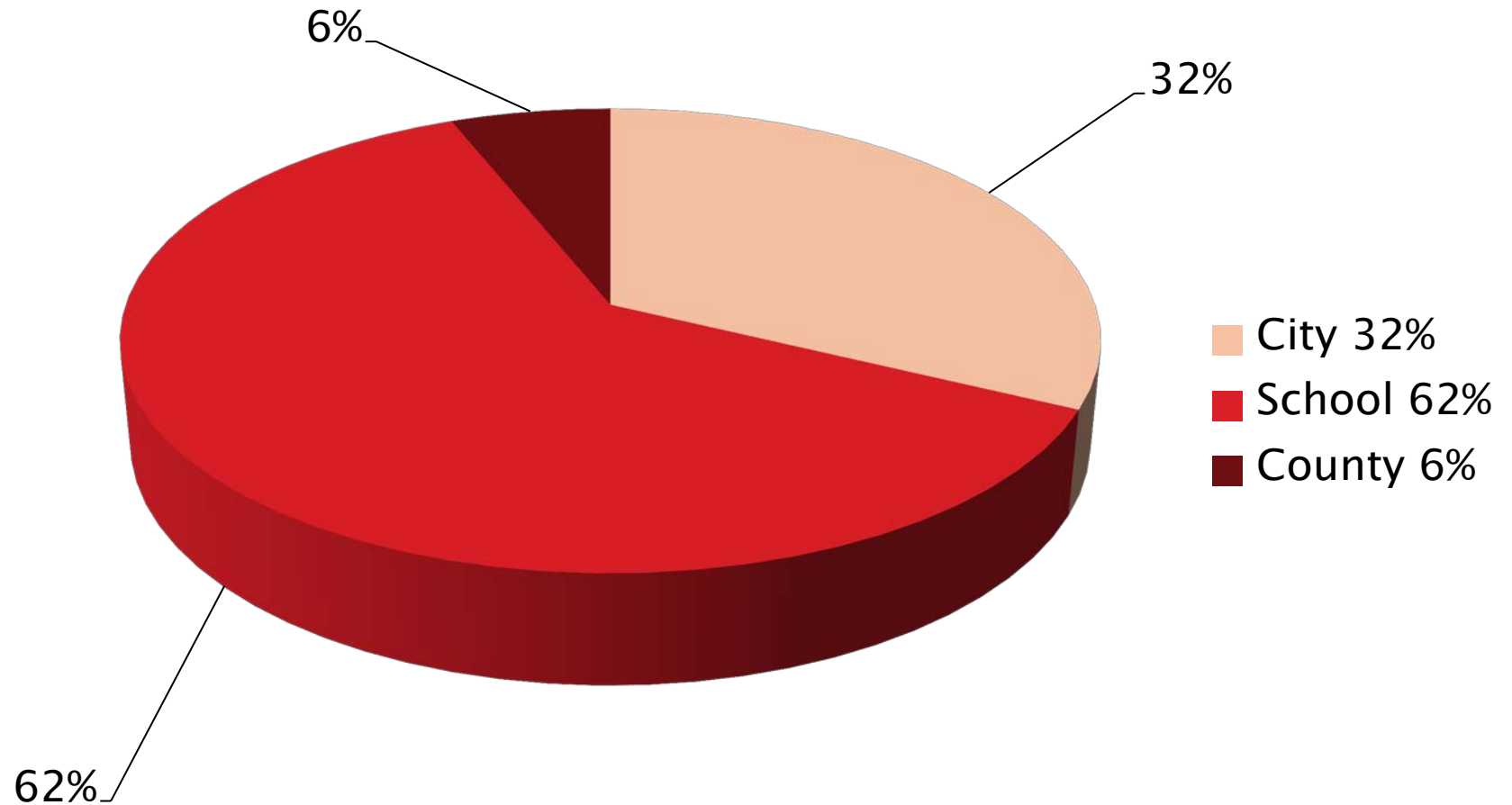
- Major Program Areas/Departments
- School
- County

Proprietary Fund

- Water
- Sewer
- Solid Waste (pay-per-bag program)
- Cable Fund

Summary of Proposed Expenditures

General Fund



City Appropriations

Departments – Major Program Areas

▶ Elected Leadership

Mayor/Council, Civic Promotions,
Community Support-Outside Agencies

▶ City Management

City Manager's Office, Human Resources
Legal services for all City Departments

▶ Finance and Administration

Finance, IT, City Clerk, Tax Collector,
Library, Human Services (Welfare), Assessing,

▶ Development Services

Planning, Building & Code
Economic Development, Recreation

▶ Public Safety

Police & Fire, EMS

▶ Public Works

PW Administration, Street Maintenance,
Solid Waste, Cemetery, Engineering

▶ Other Expenses

Debt Service, Capital Leases,
Superfund Monitoring, Contingency

▶ School

▶ County

As approved by the County Delegation

▶ Capital Outlay

CIP and other one-time appropriations

▶ Enterprise Funds

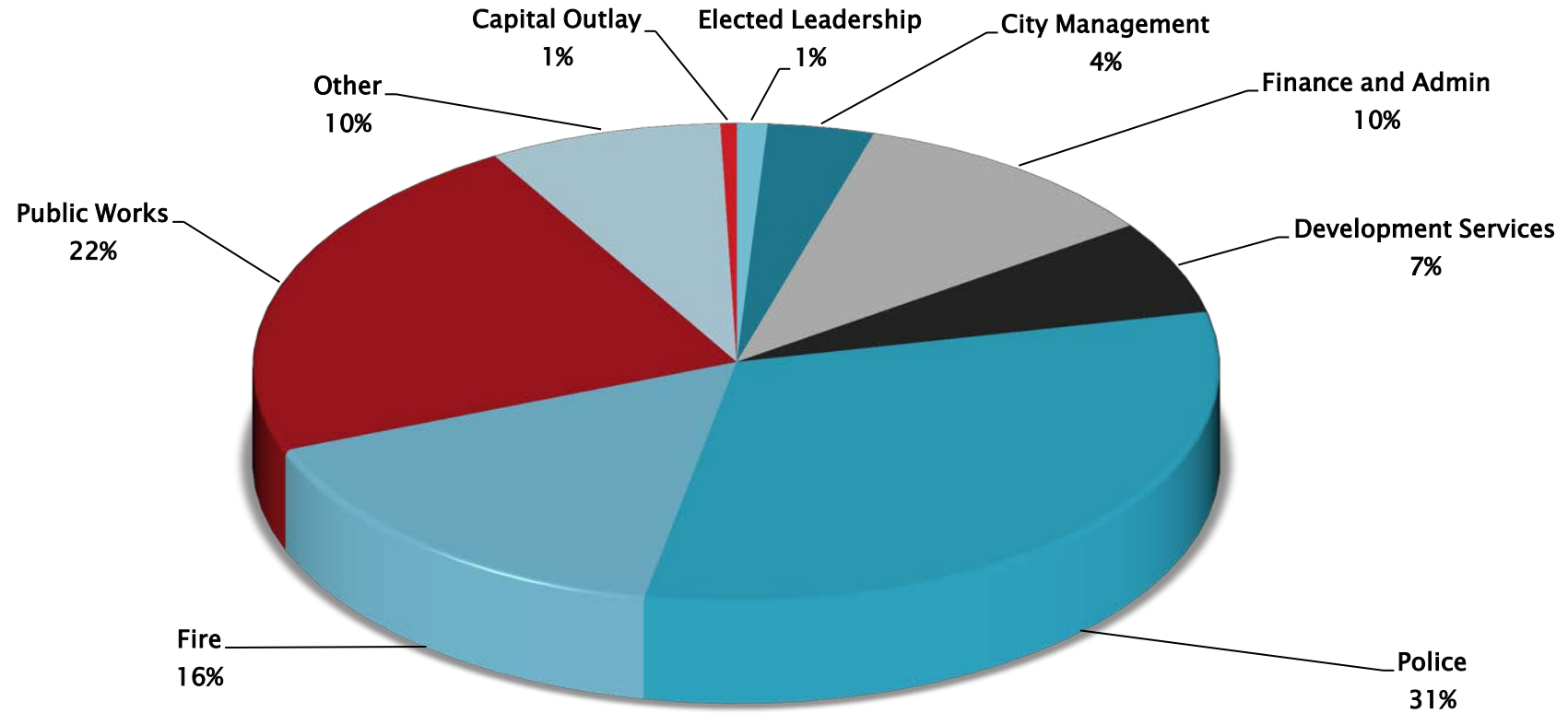
Water, Wastewater, Pay-Per-Bag

City Appropriations

Departments – Major Program Areas

Department	FY2022 Proposed	Increase/(Decrease)
Elected Leadership	\$ 149,236	\$ 0
City Management	\$ 518,197	\$ 14,367
Finance & Admin	\$1,540,478	\$ 61,704
Development Serv.	\$ 908,566	\$ 14,738
Public Safety (Police & Fire)	\$6,826,721	\$ 468,907
Public Works	\$3,241,916	\$ (22,335)
Debt Service/Leases	\$ 938,505	\$ 55,459
Capital	\$ 78,475	\$ (197,225)
Other/Contingency	\$ 198,581	\$ (8,500)
Enterprise/ Funds	\$5,494,999	\$ 506,293
Cable Fund	\$ 105,896	\$ 45,057

General Fund Appropriations

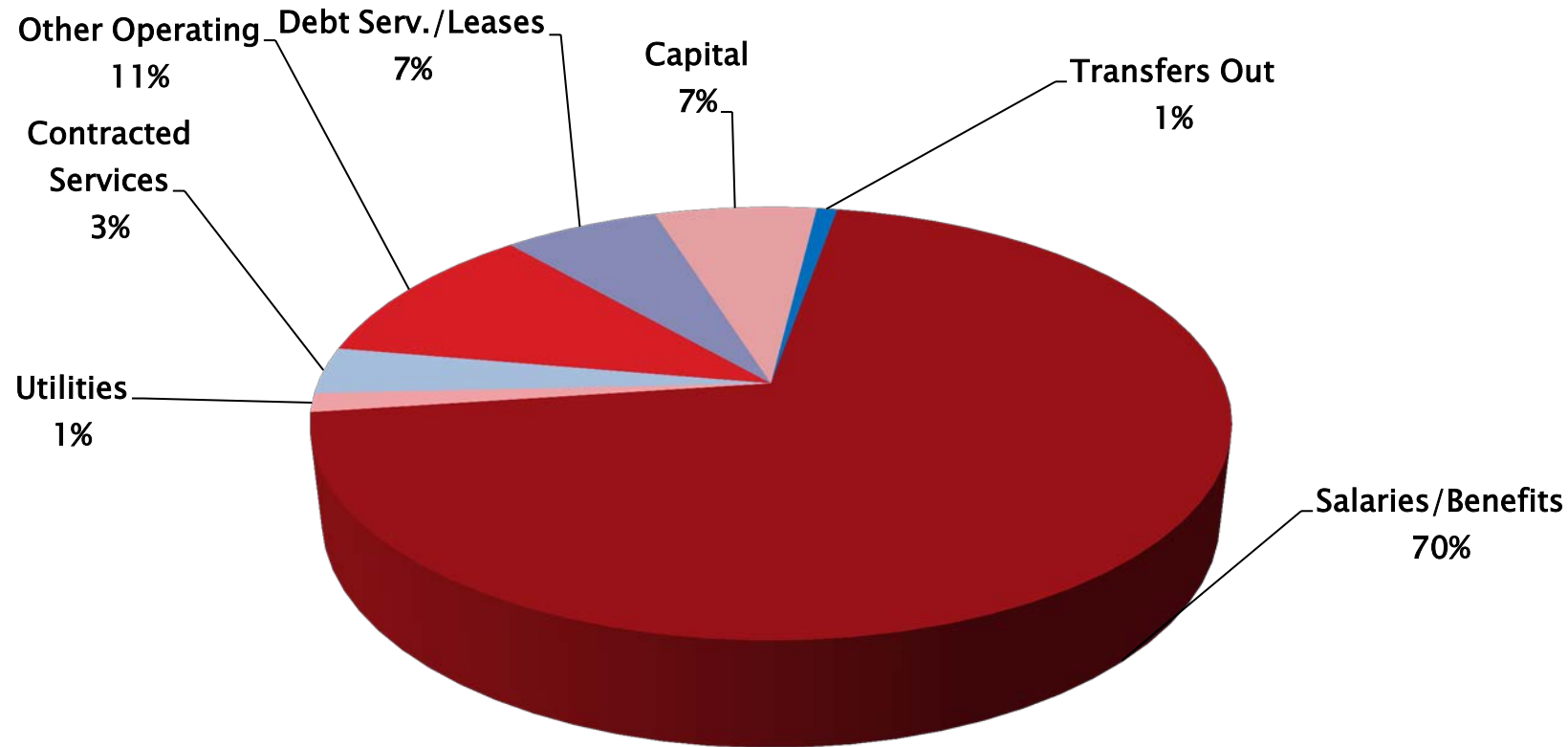


❑ Other appropriations include Debt Service, Capital Leases, Contingency, transfer to capital reserve fund, and superfund landfill monitoring cost.

❑ For the purpose of this slide, Police and Fire are represented separately, however in the City Budget they make up the Public Safety department and total 47% of the total Budget.

General Fund Appropriations

by category



- ❑ Utilities are Telephone, Heat, and Electric.
- ❑ Capital is the Capital Outlay Budget plus \$900,000 for road resurfacing projects.

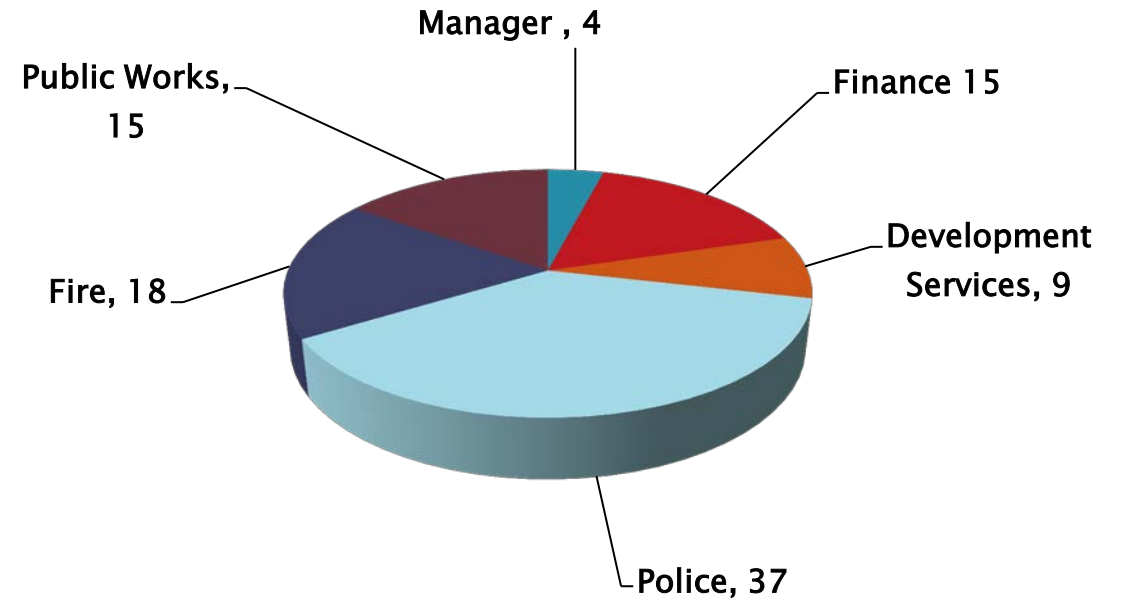
General Fund Personnel

Full Time G/F Employees = 89

Part Time G/F Employees = 9

Statistics represent number of personnel in proposed FY22 Budget. Statistics do not include elected officials or seasonal employees. Seasonal employees are proposed for recreation, snow removal (DPW), summer seasonal (DPW), and a crossing guard.

Figures above are only G/F, and do not include 7 F/T employees in water department, 6 F/T employees at the wastewater treatment facility, and 1 F/T Clerk split between water and wastewater.



2021-2022 Proposed Budget

Proposed Capital Improvements Capital Outlay

Replace Portable Radios – Fire	\$ 11,428
Down–payment on Vehicle Lease/Purchase 2 Police Cruiser, Police Undercover Vehicle	\$ 20,000
Noble Pines Basketball Court Rehab	\$ 14,000
Crane Boom – DPW	\$ 6,047
Paint DPW Truck	\$ 6,500
Rotary/Flail Mower DPW	\$ 13,000
Millennium Park Lights Repair	\$ 7,500

2021-2022 Proposed Budget

Estimated Tax Rate

set by State Department of Revenue Administration in Fall

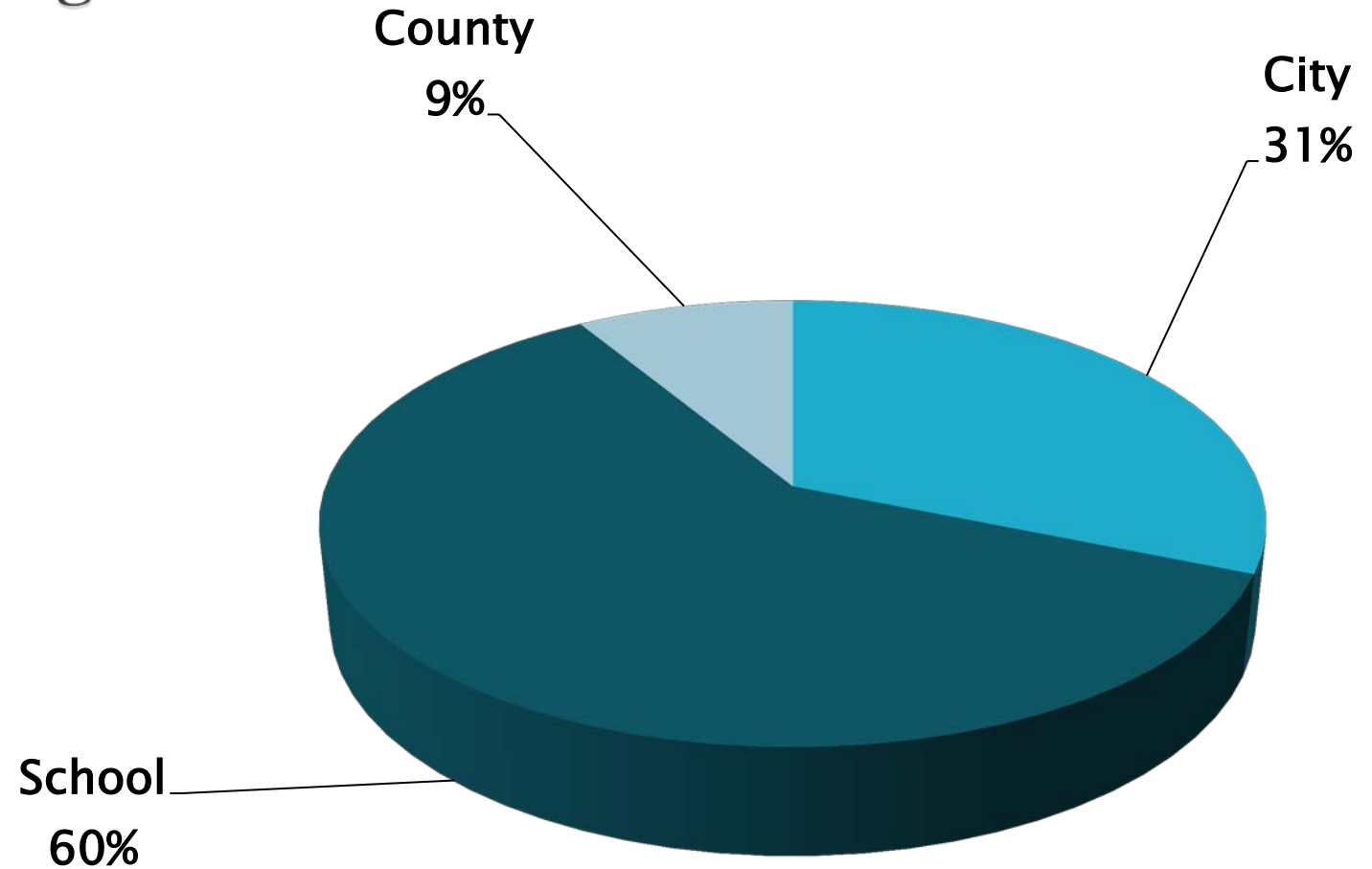
	20/21 Actual	21 /22 Estimated	Change
City	8.68	8.97	.29
School – Local	14.79	15.45	.66
School – State	1.94	1.83	(.11)
County	2.44	2.50	.06
<hr/>			
<i>Total</i>	27.85	28.75	.90

☐ Property Tax Rate based on estimated assessed valuation of \$1,095,000,000

2021-2022 Proposed Budget

Estimated Tax Rate

\$28.75 per \$1,000



2021-2022 proposed budget

Estimated Property Tax Bill

Example – Residential Assessment
= \$250,000

	Actual FY21 Tax	Estimate FY22 Tax	\$ Change
City	\$ 2,170	\$ 2,243	\$ 73
School (State & Local)	\$ 4,183	\$ 4,320	\$ 137
County	\$ 610	\$ 625	\$ 15
Total Property Tax Bill	\$ 6,963	\$ 7,188	\$ 225

2021-2022 Enterprise Funds

Wastewater Fund

Proposed FY 2022 Budget = \$2,544,607

No Utility rate increase scheduled at this time

- Anticipated revenues for FY 2022 are \$2,978,731.
- Estimated FY 2022 operating surplus is approx. \$434,00.
- Current rates are \$8.05 per 100 cubic feet of use effective July 1, 2020.
- An average bill, using 9,000 cubic feet per year – State DES avg. home, is \$765.

Budget highlights

- Increase in overall Budget is \$201,137 or 8.58%.
- Budget includes treatment facility with 6 full time staff and one shared staff (utility billing clerk).
- Budget includes recommendation for a Sewer Collection System Assessment - \$95,000
 - Increase in Debt Service for the Wastewater Collection improvements associated with the Cemetery Road Complete Streets Project.

2021-2022 enterprise funds

water fund

Proposed FY 2022 Budget = \$2,402,519

No Utility rate increase scheduled at this time

- Anticipated revenues for FY 2022 are \$2,685,500.
- Estimated operating surplus in FY2022 is approximately \$283,000.
- Current rates are \$5.40 per 100 cubic feet of use effective July 1, 2020.
- An average bill, using 9,000 cubic feet per year – State DES avg. home, is \$516.

Budget Highlights

- Proposed Budget increase of \$224,003 or 10.28%.
- CIP Projects –
 - New Distribution Vehicle - \$61,200
- Budget includes increase in Debt Service for the Water Distribution improvements associated with the Cemetery Road complete streets project.

2021-2022 enterprise funds

Solid Waste (Pay-Per-bag) fund

Proposed FY 2022 Budget = \$547,873

Pay-Per-Bag Rates are \$2.00 for 30-gal bag and \$1.45 for 15-gal bag

- Anticipated revenues for FY 2022 are \$547,000.

Budget Highlights

- Proposed Budget increase of \$81,153 or 17.39%.
- Due to the cost of shipping during the pandemic, the cost to purchase bags has increased approximately 10%.

Somersworth School District 2021-2022 Proposed Budget Presentation

April 5, 2021

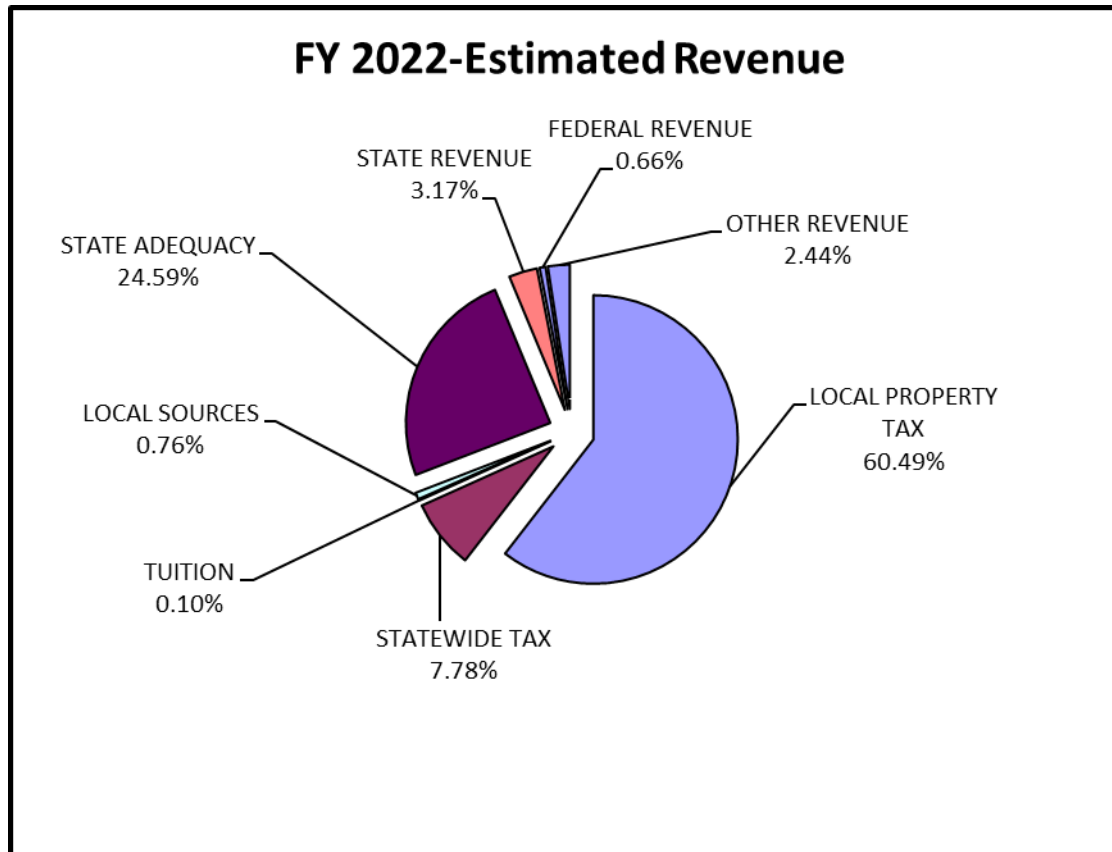
Somersworth School District

2021-2022 Estimated Revenue

The 2021-2022 Estimated decrease in Revenue is \$2,026,015 less than Fiscal Year 2020-2021 primarily due to the following reasons:

- ▶ Decrease for one-time Building Aid for Maple Wood Project: \$(1,165,783)
- ▶ Decrease for State of NH Adequacy One-Time Payment: \$(1,175,777)
- ▶ Reduction in State of NH Adequacy Education Aid: \$(629,395)
- ▶ Reduction in Building Aid: \$(17,788)
- ▶ Reduction in Medicaid Reimbursement: \$(10,264)
- ▶ Increase in Preschool Tuition: \$8,500
- ▶ Increase in Rollinsford SAU Revenue: \$207,323
- ▶ Increase in SAU Fund Balance: \$257,000 (One-Time Revenue Source)
- ▶ Increase in Indirect Cost Revenue: \$33,400
- ▶ Increase in CTC Tuition: \$22,000
- ▶ Increase in Special Education Aid: \$25,098
- ▶ Increase in Use of Fund Balance: \$419,671

Somersworth School District 2021-2022 Estimated Revenue



Somersworth School District

2021-2022 Expenditures

The 2021-2022 Proposed Budget is \$27,680,522. The proposed expenditures change is \$1,366,720 less than the Fiscal Year 2020-2021 Approved Budget.

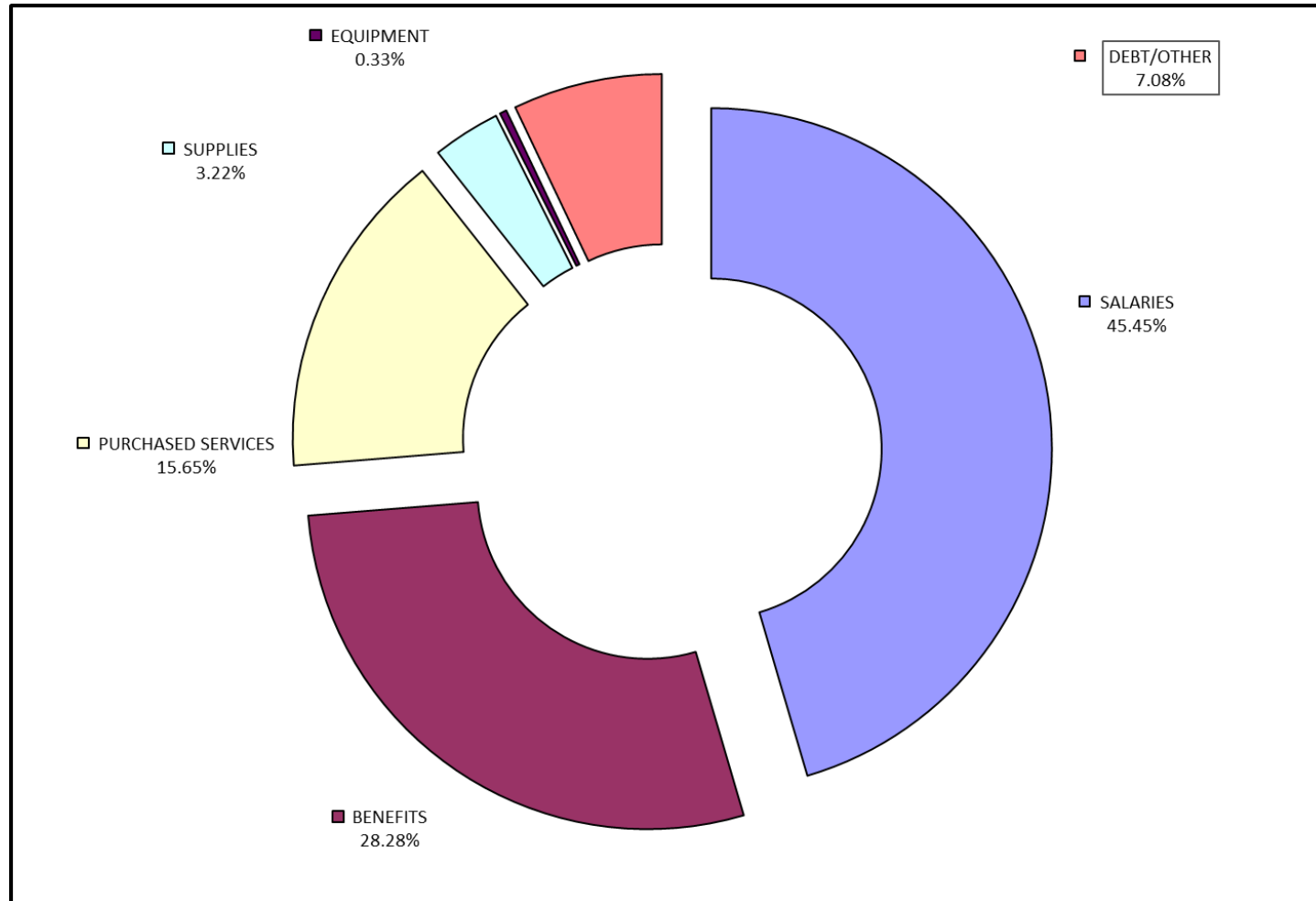
General Expenditure Items:

- ▶ Medical Insurance actual 5.5% increase for Custodians and actual 2.9% increase for all other staff over 2020-2021 actual rates using Schoolcare's *Effective Rate* which does include the Premium Holiday Credit.
- ▶ Primex Property and Liability- 2.6% Increase
- ▶ Primex Workers Compensation- 14.4% Decrease
- ▶ Northeast Delta Dental Rates- No Change
- ▶ New Hampshire Retirement Rate Increase

	RATES	RATES	%
<u>GROUP I</u>	<u>FY 2021-2023</u>	<u>FY 2019-2021</u>	<u>CHANGE</u>
Employees	14.06%	11.17%	25.87%
Teachers	21.02%	17.80%	18.09%

- ▶ Includes Teacher, SACA and Custodian Salary Increases based on negotiated contracts.
- ▶ Includes 3% Salary increase for all non-union staff
- ▶ Includes a reduction of \$1,258,526 in one-time expenditures from prior year.
- ▶ Includes a reduction of \$1,165,783 in expenditures for Phase II of the Maple Wood Renovation Project.
- ▶ Includes additional .5 FTE custodian at Maple Wood, due to increased square footage
- ▶ SAU budget included in the proposed budget with an offset of revenue for Rollinsford portion

Somersworth School District 2021-2022 Expenditures



Somersworth School District Budget Reductions

- ▶ In order to meet the tax cap the original proposed budget included \$664,571 in budget reductions.
- ▶ Due to the City Council approving Resolution 31-21 to allow the school district to use unexpended funds as revenue, we were able to add \$419,671 back into the budget.
- ▶ The remaining \$244,900 was reduced from the budget to meet the tax cap, the reductions consisted of the following:

Tier One Budget Reductions		
Technology Reductions		12,507.00
ESOL Assistant		16,000.00
Elementary Teacher		62,000.00
Elementary Teacher		65,000.00
SAU Reductions		89,393.00
		244,900.00

Somersworth School District 2021-2022 Budget Summary

Total Budget Summary

2020-2021 Approved Budget:	\$ 29,047,242
Tax Cap Increase:	\$ 659,295
Less: Decrease in Revenue	\$ (2,026,015)
 2021-2022 Proposed Budget	 \$ 27,680,522
 Total Budget Decrease:	 \$ (1,366,720)