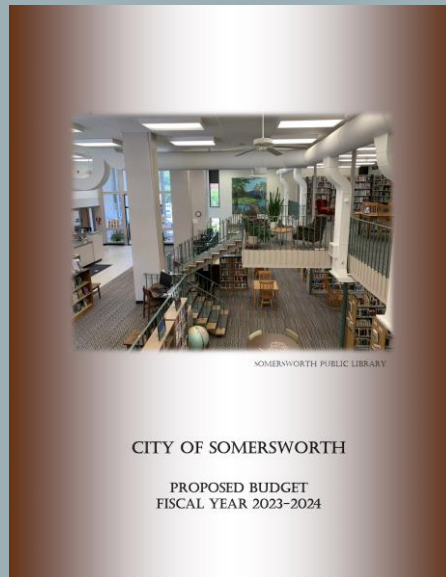


# FISCAL YEAR 2023-2024 PROPOSED BUDGET

APRIL 3, 2023



## City

**Presented by:**  
**Robert M. Belmore, City Manager**



## School

**Presented by:**  
**Lori Lane, 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 Scott 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**

**FY2023-2024 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 8.0% for the calendar year 2022.**
- **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

FY23 Amount raised by taxes	\$ 31,847,263
Add: Amount of increase for CPI (8.0%)	\$ 2,547,781
Amount allowed for Net Construction Value	<u>\$ 702,250</u>
Amount allowed to be raised by taxes FY24	\$ 35,097,294
Estimated amount to be raised by taxes with proposed FY24 Budget	<u>\$ 33,759,951</u>
<u>Estimated Amount Under Tax Cap</u>	<u>\$ 1,337,343</u>

# BUDGET NOTES

## Departments-General Fund Budget

**Gross G/F Budget reflects an increase of \$873,681. 5.69%.**

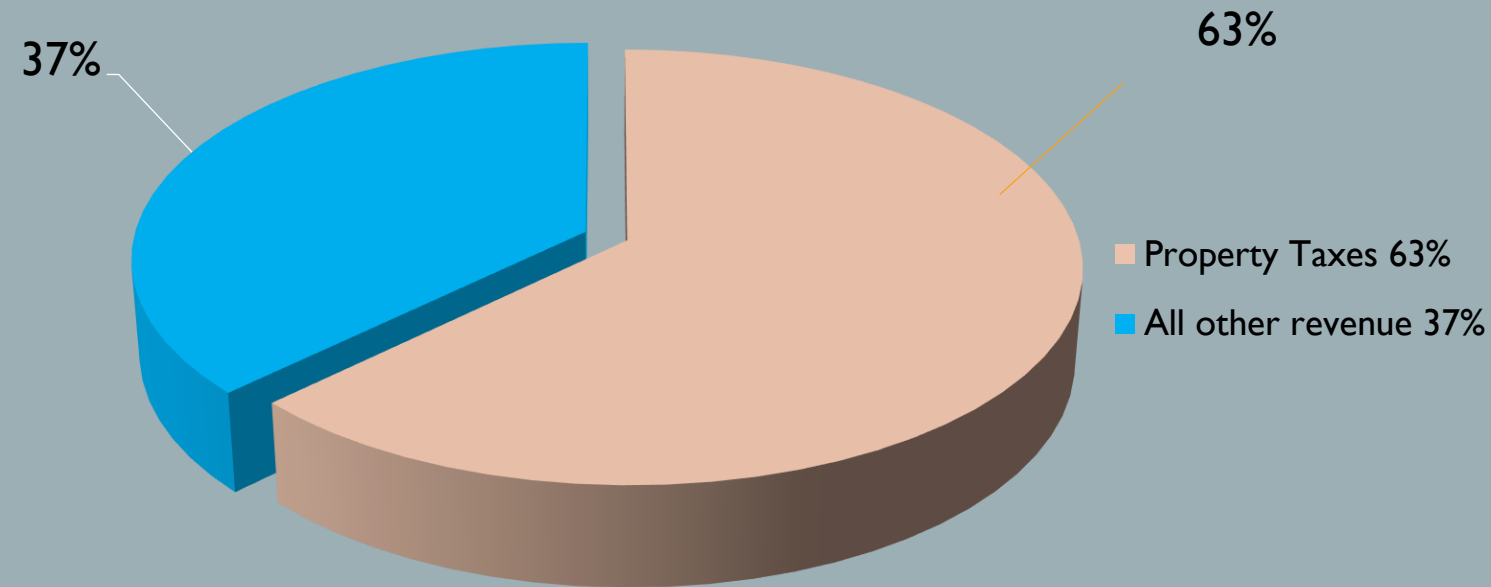
- Salaries and associated payroll driven costs such as FICA increased \$598,599.
- Utilities increased \$52,574.
- All other operating expenses increased \$222,508.
- Debt Services and Capital Leases decreased (\$42,285).
- One staffing change proposed – a Full-Time Deputy Fire Chief effective January 1, 2024.

## 2023-2024 PROPOSED BUDGET REVENUE ESTIMATES

Category	22-23 Budget	23-24 Proposed
Taxes & Penalties	31,847,151	33,661,258
Licenses, Permits, Fees	2,095,000	2,095,000
Intergovernmental	1,355,478	1,355,478
Education	9,600,908	8,824,681
Other Revenue	961,785	1,149,785
Use of Fund Balance	1,300,000	1,300,000
<b>Total Revenue</b>	<b>47,160,322</b>	<b>48,386,202</b>

# CITY GENERAL FUND REVENUE

CITY REVENUE = \$16,596,785



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

# 2023-2024 PROPOSED BUDGET

## BUDGET STRUCTURE - APPROPRIATIONS

### GENERAL FUND

Major Program

Areas/Departments

School

County

### PROPRIETARY FUND

Water

Sewer

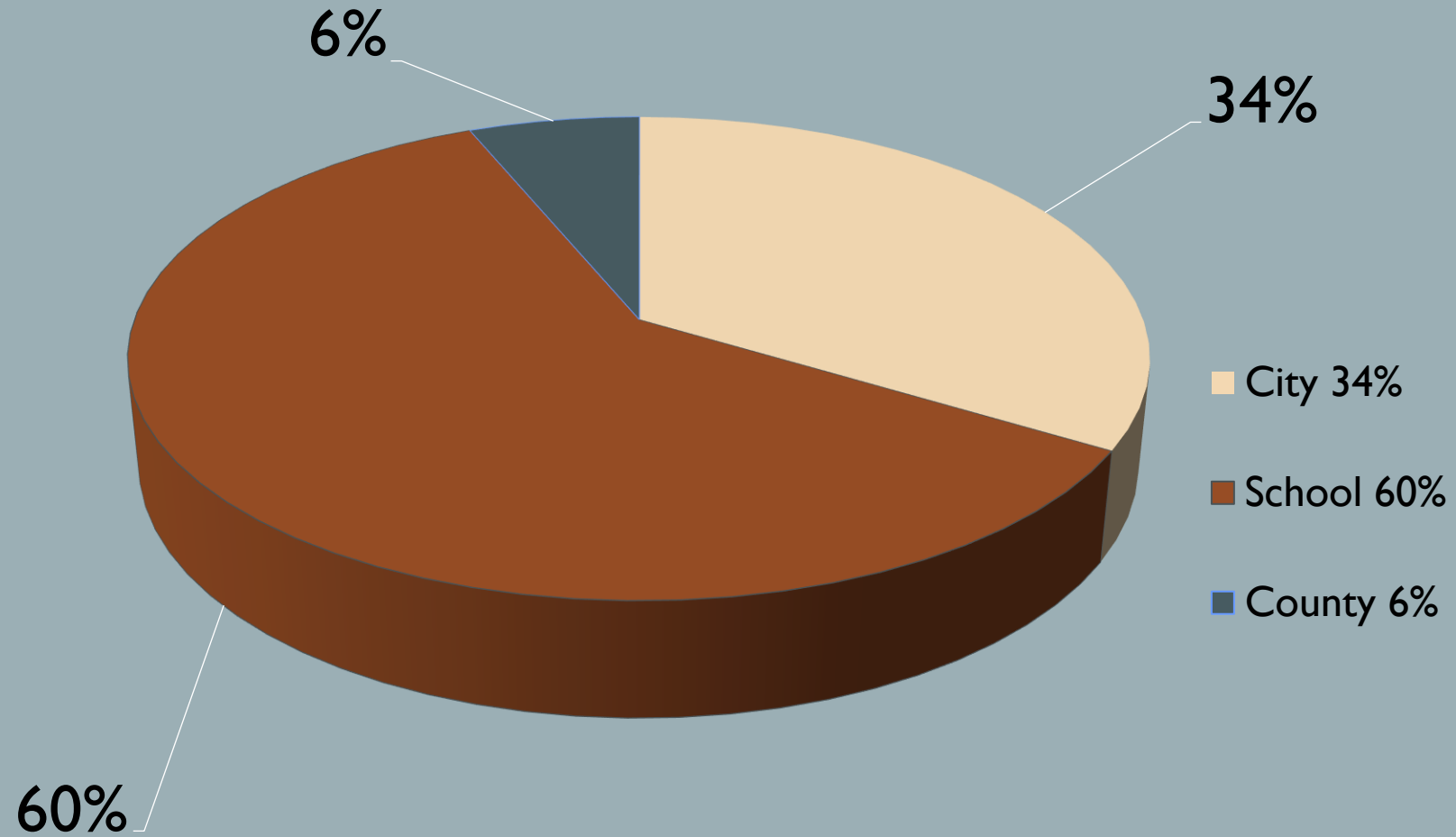
Solid Waste (pay-per-bag  
program)

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**

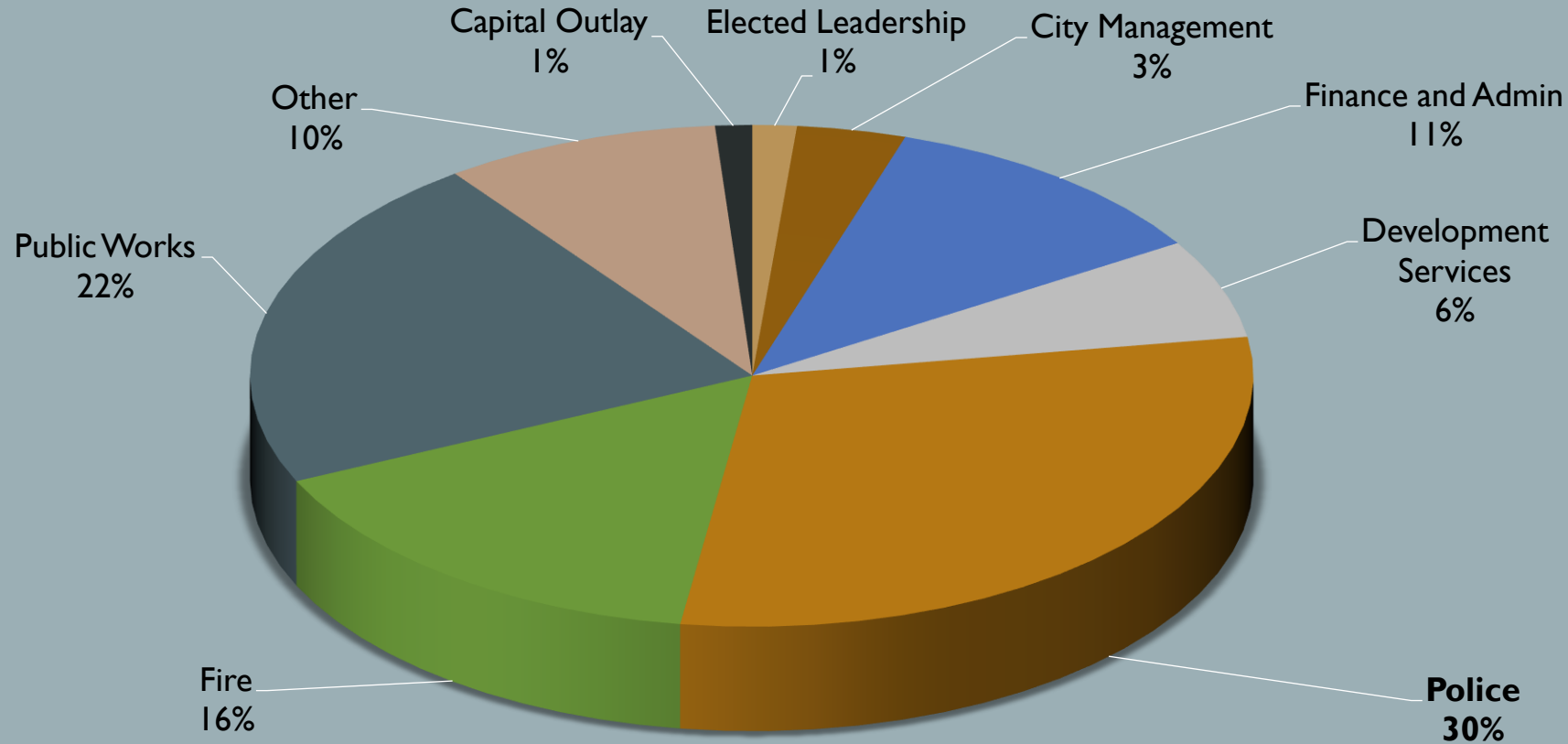
Water, Wastewater, Pay-Per-Bag

# CITY APPROPRIATIONS

## DEPARTMENTS – MAJOR PROGRAM AREAS

Department	FY2024 Proposed	Increase/(Decrease)
<b>Elected Leadership</b>	\$ 231,220	\$ 12,500
<b>City Management</b>	\$ 569,803	\$ 37,016
<b>Finance &amp; Admin</b>	\$ 1,817,558	\$ 189,084
<b>Development Serv.</b>	\$ 1,037,072	\$ 94,507
<b>Public Safety</b> (Police & Fire)	\$ 7,393,080	\$ 363,736
<b>Public Works</b>	\$ 3,540,198	\$ 164,959
<b>Debt Service/Leases</b>	\$ 1,203,043	\$ (42,285)
<b>Capital Outlay</b>	\$ 192,750	\$ 25,291
<b>Other/Contingency</b>	\$ 242,573	\$ 28,872
<b>Enterprise Funds</b>	\$ 8,067,761	\$ 1,297,556
<b>Cable Fund</b>	\$ 74,313	\$ 2,664

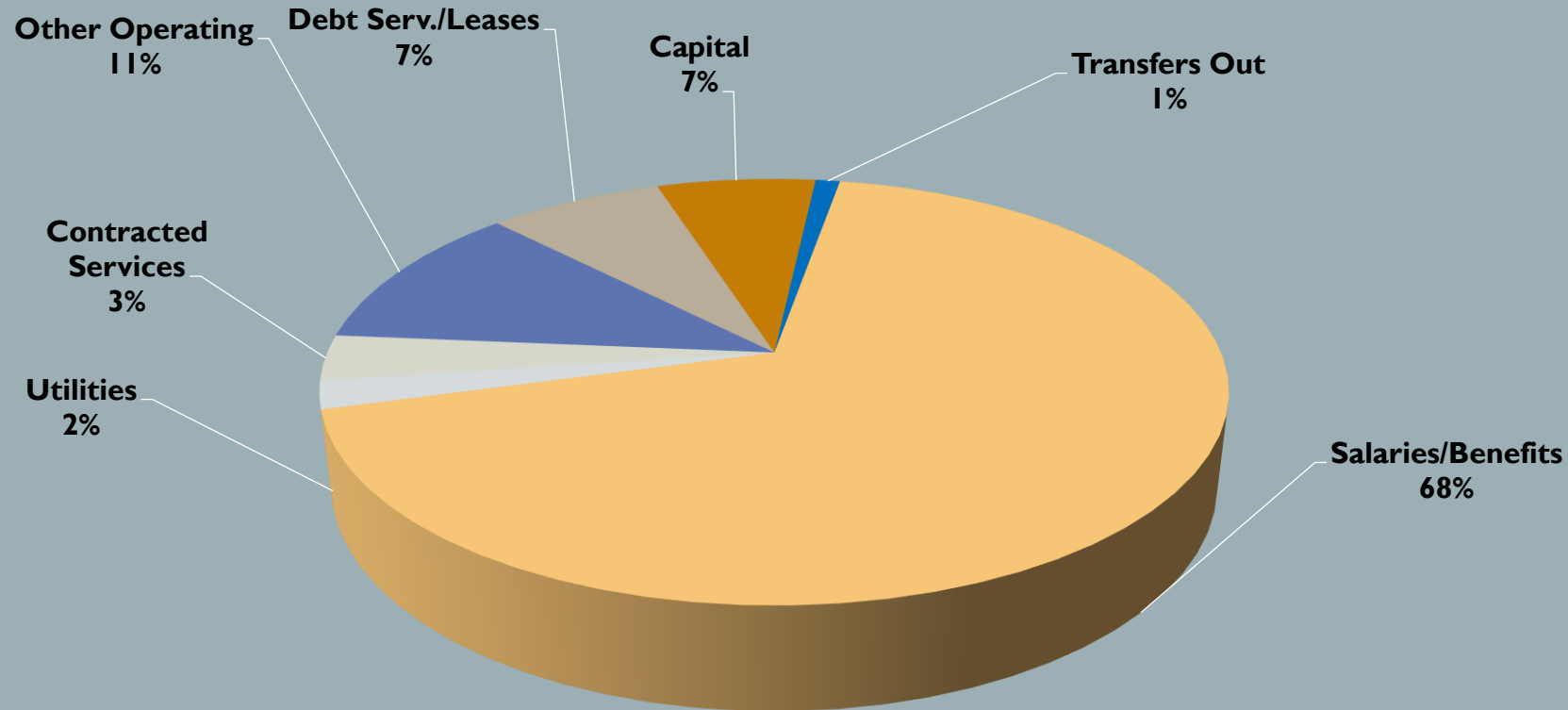
# GENERAL FUND APPROPRIATIONS



❑ 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 46% of the total Budget.

# GENERAL FUND APPROPRIATIONS BY CATEGORY



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

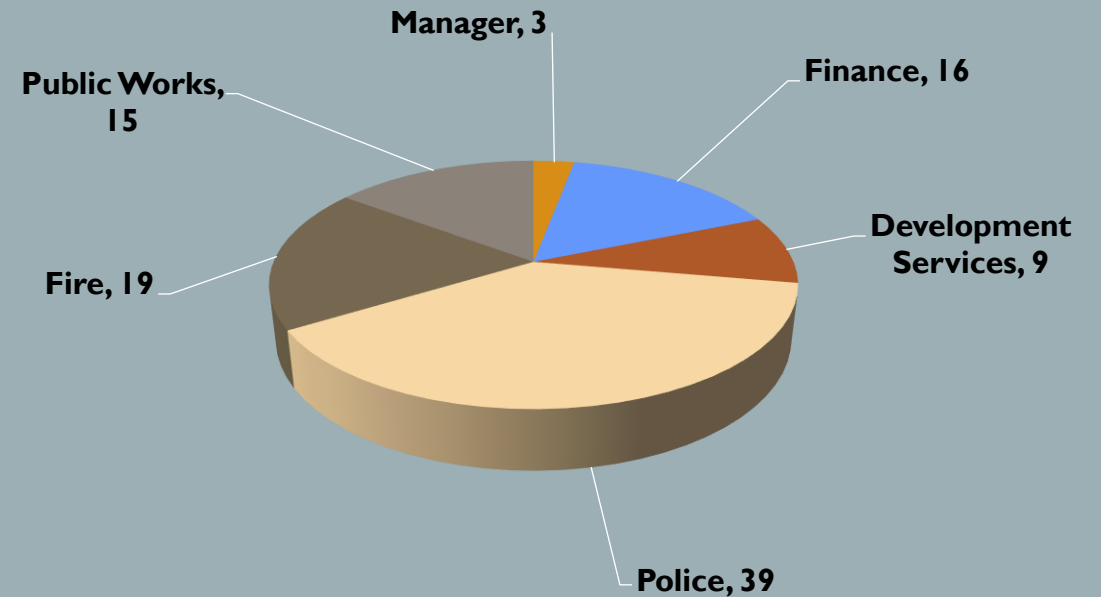
# GENERAL FUND PERSONNEL

FULL TIME G/F EMPLOYEES = 93

PART TIME G/F EMPLOYEES = 8

Statistics represent number of personnel in proposed FY24 Budget. Statistics do not include elected officials or seasonal employees. Seasonal employees are proposed for recreation, snow removal (DPW), summer seasonal (DPW).

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



# **2023-2024 PROPOSED BUDGET**

## **PROPOSED CAPITAL IMPROVEMENTS/CAPITAL OUTLAY**

**Replace Fire SCBA –Year 1 of a 4 year program** **\$108,000**

**Down-payment on Vehicle Lease/Purchase**

**Fire Command Vehicle; 2 Police Cruisers; 1 Unmarked; DPW Loader** **\$ 20,000**

**Jules Bisson Park Improvements** **\$ 30,000**

**DPW Barricades** **\$ 13,000**

**DPW Mechanic Scan Tool** **\$ 11,750**

**Ash Street Park Improvements** **\$ 10,000**

# 2023-2024 PROPOSED BUDGET

## ESTIMATED TAX RATE

SET BY STATE DEPARTMENT OF REVENUE ADMINISTRATION IN FALL

	22/23	23/24	
	Actual	Estimated	Change
City	8.55	9.18	.63
School - Local	15.65	16.03	.38
School - State	1.35	1.87	.52
County	2.54	2.69	.15
<b>Total</b>	<b>28.09</b>	<b>29.77</b>	<b>1.68</b>

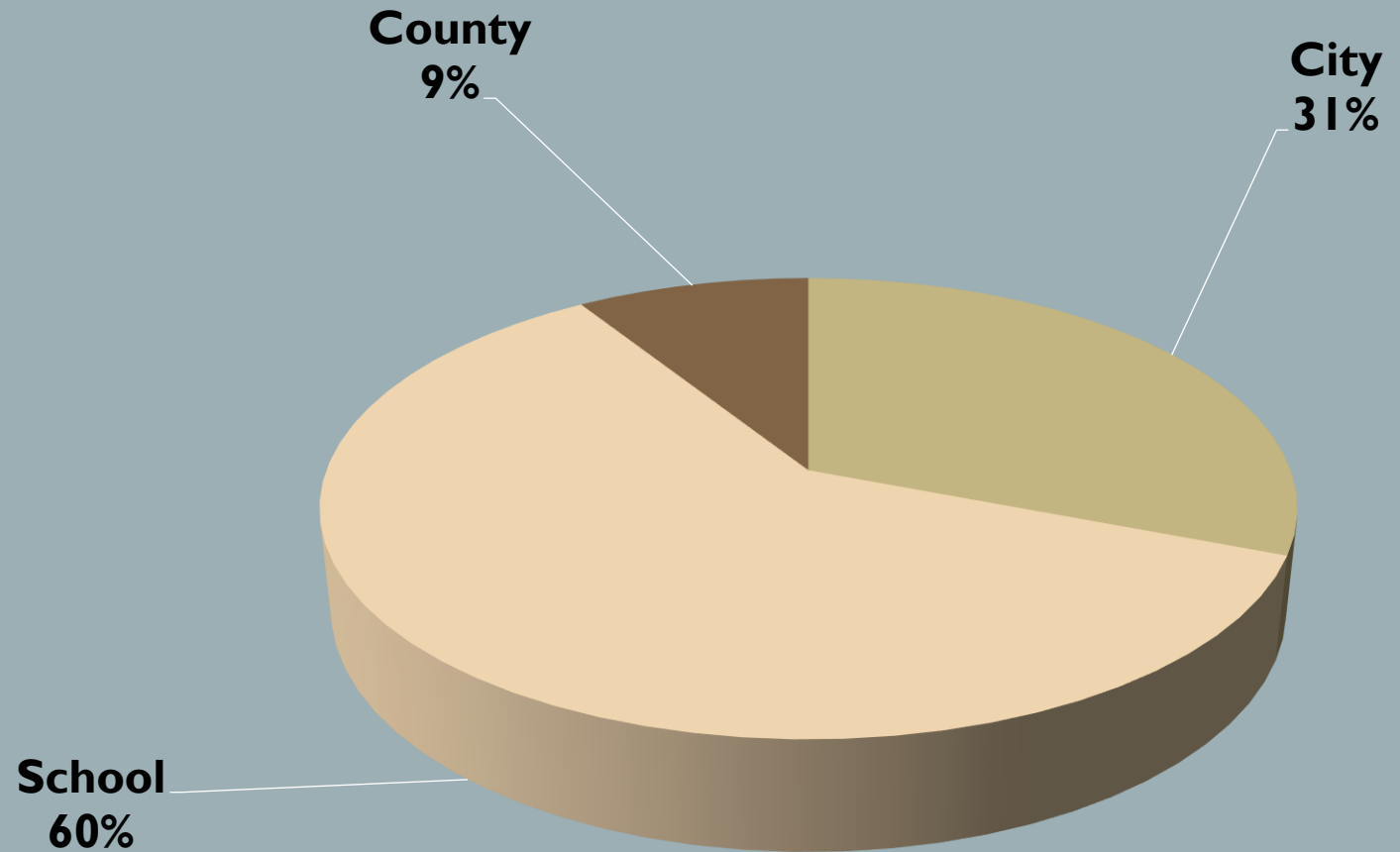
☐ Property Tax Rate based on estimated assessed valuation of \$1,135,500,000



# 2023-2024 PROPOSED BUDGET

## ESTIMATED TAX RATE

**\$29.77 per \$1,000**



# 2023-2024 PROPOSED BUDGET

## ESTIMATED PROPERTY TAX BILL

<b>Example - Residential Assessment = \$300,000</b>	<b>Actual FY23 Tax</b>	<b>Estimate FY24 Tax</b>	<b>\$ Change</b>
City	\$ 2,565	\$ 2,754	\$ 189
School (State & Local)	\$ 5,100	\$ 5,370	\$ 270
County	\$ 762	\$ 807	\$ 45
<b>Total Property Tax Bill</b>	<b>\$ 8,427</b>	<b>\$ 8,931</b>	<b>\$ 504</b>

## 2023-2024 ENTERPRISE FUNDS WASTEWATER FUND

**Proposed FY 2024 Budget = \$4,183,996**

**No Utility rate increase scheduled at this time**

- Anticipated revenues for FY 2024 are \$3,414,462.
- Estimated FY 2024 operating deficit is approx. \$770,000.
- 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 \$766,131 or 22.42%.
- Budget includes treatment facility with 6 full time staff and one shared staff (utility billing clerk).
- Budget increase is due to mainly to Capital Improvements Projects:
  - \$384,000 for Wastewater share of a Meter Replacement Program
  - \$450,000 for preliminary Engineering and Design for the next phase of upgrades for the Wastewater Treatment Facility.

# 2023-2024 ENTERPRISE FUNDS WATER FUND

**Proposed FY 2024 Budget = \$3,236,505**

## **No Utility rate increase scheduled at this time**

- Anticipated revenues for FY 2024 are \$2,975,000.
- Estimated operating deficit in FY2024 is approx. \$262,000.
- 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 \$482,022 or 17.50%.
- CIP Projects –
  - Replace VFD for Raw Water Pumps \$100,000
  - Water share of Meter Replacement Project \$576,000

# **2023-2024 ENTERPRISE FUNDS**

## **SOLID WASTE (PAY-PER-BAG) FUND**

**Proposed FY2023 Budget = \$597,857**

**Bag Rates increase to \$2.40 for 30-gal bag and \$1.85 for 15-gal bag on 7/1/23**

- Anticipated revenues for FY2024 is approx. \$660,000.

### **Budget Highlights**

- Proposed Budget increase of \$49,403 or 8.26%.



# Somersworth School District 2023-2024 Proposed Budget Presentation

April 3, 2023

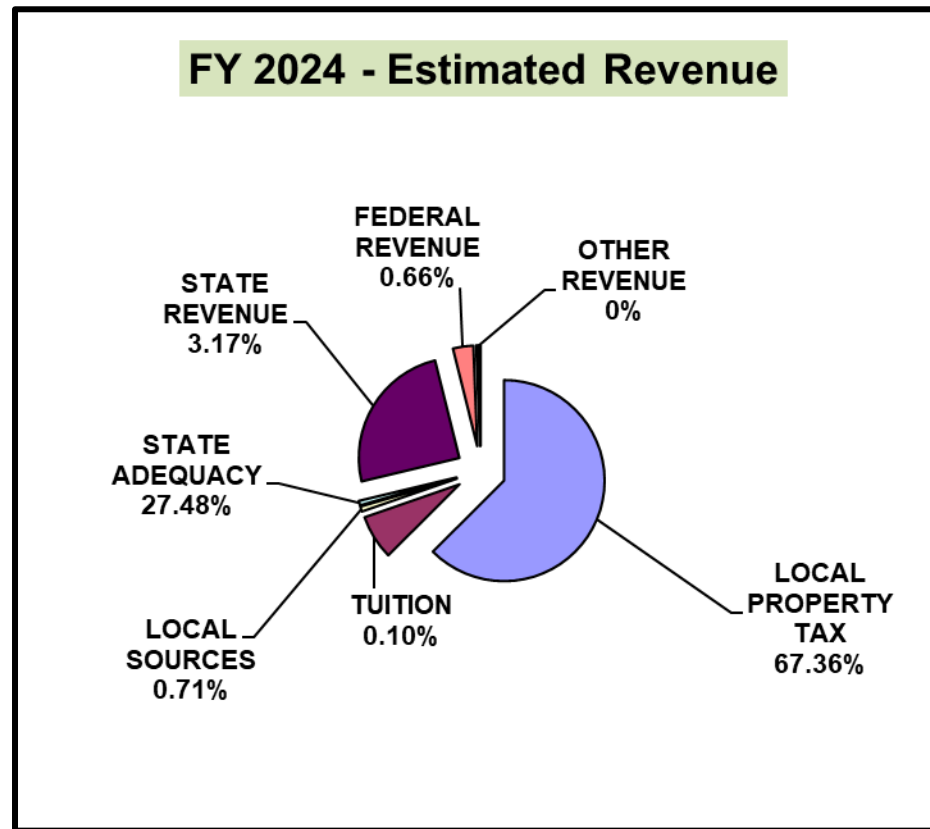
# Somersworth School District

## 2023-2024 Estimated Revenue

The projected Fiscal Year 2023-2024 estimated revenue is \$8,824,681, which results in a decrease in estimated revenue of approximately \$776,227, due to the following reasons:

- Reduction in State of NH Adequacy Education Aid: \$(895,802)
- Reduction in Building Aid: \$(15,144)
- Decrease in Medicaid: \$(100,000)
- Increase in Use of Fund Balance: \$100,000
- Increase in CTC Tuition: \$4,500
- Increase in Rollinsford SAU Fee for Services: \$3,631
- Increase in Building Use Fees: \$8,000
- Increase in Special Education Aid: \$100,000
- Increase in CTC Tuition Aid: \$15,000
- Increase in Other State Aid: \$3,588

# Somersworth School District 2023-2024 Estimated Revenue





# Somersworth School District

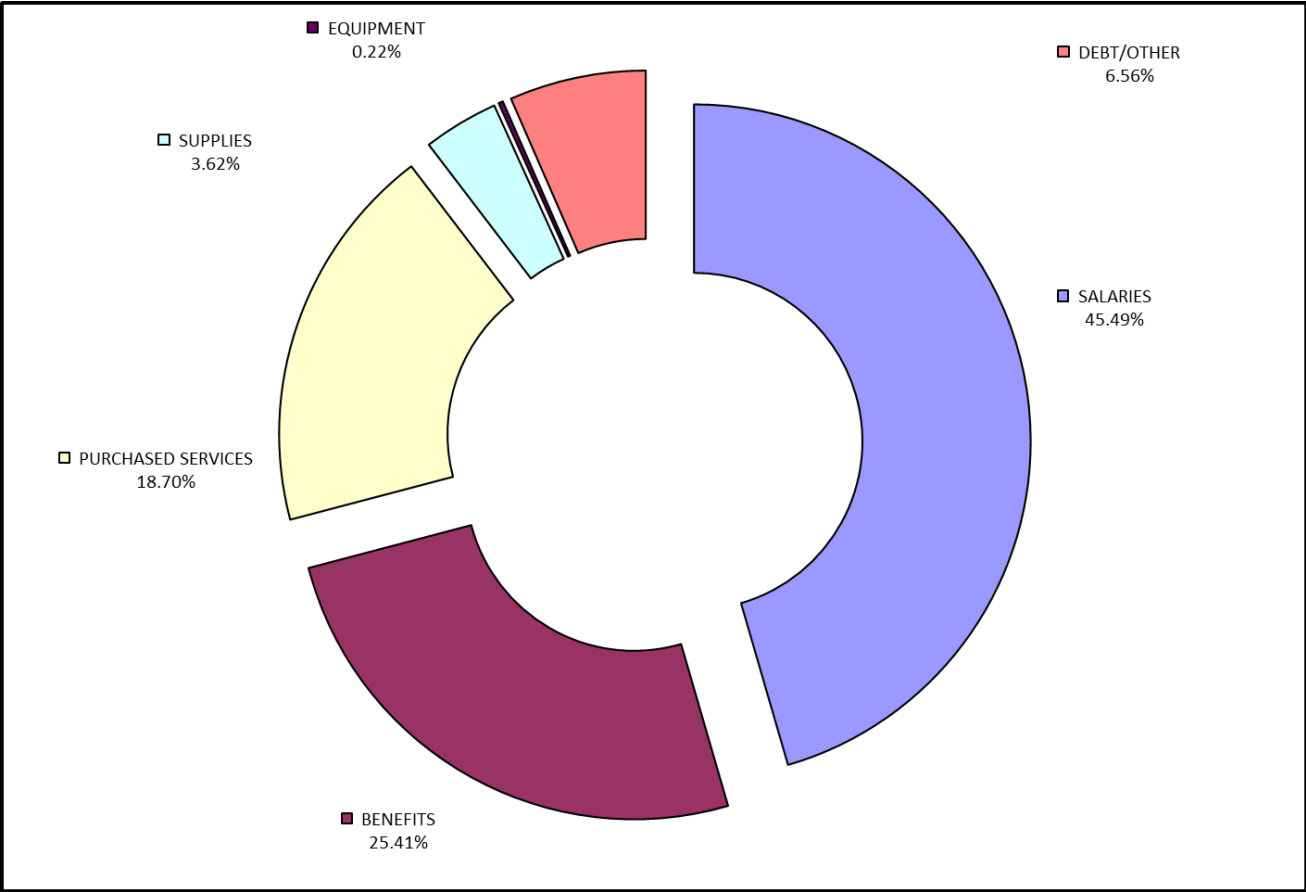
## 2023-2024 Expenditures

- ▶ The Fiscal Year 2023-2024 Proposed Budget total is \$29,113,735. The proposed expenditure change is \$254,149 more than the Fiscal Year 2022-2023 Approved Budget. General Expenditure items throughout the budget include:
  - Medical Insurance Rate Increase: 12.1% increase for Custodians 8.1% increase for all other staff over 2022-2023 rates
  - Primex Property and Liability Insurance- 7% Increase
  - Primex Workers Compensation Insurance- 1% Decrease
  - Northeast Delta Dental Insurance Rates- Estimated 3% Increase
  - New Hampshire Retirement Rate Decrease
  - Includes Teacher (5%), SACA (3%) and Custodian (4%) Salary Increases based on negotiated contracts.
  - Includes 3% Salary increase for all non-union staff which includes Truant Officer and Administration
  - SAU Approved Budget Increase- \$51,644 (approved by the board in December)
  - Includes contractual increases for transportation based on First Student Contract Extension
  - Includes increased costs for Utilities based on rate increases.

# Somersworth School District Budget Reductions

- ▶ The proposed budget contains the reduction of the following positions:
  - ▶ High School Case Manager
  - ▶ Kindergarten Teacher
  - ▶ 2<sup>nd</sup> Grade Teacher
  - ▶ 4<sup>th</sup> Grade Teacher
  - ▶ 6<sup>th</sup> Grade Teacher
  - ▶ Speech and Language Assistant
  - ▶ Secretary HS/CTC
  - ▶ 3 Paraprofessional Positions
  - ▶ Grounds Maintenance Position
  - ▶ Reduce Foreign Language Teacher to Part Time
- ▶ The proposed budget also includes the following reductions:
  - ▶ Reduce bus routes from 6 routes to 5
  - ▶ Reduce late bus route after school
  - ▶ Reduce Summer School Transportation (Covered through a grant)
  - ▶ Reduce staff laptop replacement by \$10,000
  - ▶ Reduce legal fees by \$10,000
  - ▶ Reduce utilities by \$7,000
  - ▶ Reduce Fuel Surcharge by \$5,000 due to reduction of a bus

# FY 2023-2024-Contractual Obligations



## Somersworth School District Contractual Obligations

Salaries:	45.49%
Benefits:	25.41%
Purchased Services:	<u>18.70%</u>
Total:	89.60%

# FY 2023-2024 Proposed Budget Summary

Total Budget Summary	
2022-2023 Approved Budget	\$ 28,859,586
2023-2024 Proposed Budget	\$ 29,109,022
<b>Total Expenditure Increase</b>	<b>\$ 249,436</b>
<b>Estimated Tax Impact</b>	<b>\$ 0.22</b>
2022-2023 Estimated Revenue	\$ 9,600,908
2023-2024 Estimated Revenue	\$ 8,824,681
<b>Total Loss in Revenue</b>	<b>\$ (776,227)</b>
<b>Estimated Tax Impact</b>	<b>\$ 0.68</b>
<b>Total Net Budget Increase</b>	<b>\$ 1,025,663</b>
<b>Total Estimated Tax Impact</b>	<b>\$ 0.90</b>
Tax Cap Summary	
Total Allowable Tax Cap Increase per Tax Cap	\$ 1,965,694
Total Proposed Budget Increase	\$ 1,025,663
Total Amount Below Tax Cap	\$ 940,031