
FY 2017/18 Recommended Budget

■ Summary

- ❑ Total General Fund budget \$186,437,928
- ❑ Expense increase of 1.56%
- ❑ Results in mill rate increase of 1.92%
- ❑ Use of reserves to allow for reaction to unknown potential for no State Aid cuts
- ❑ Increases in Sewer Fund reflects operating costs associated with plant rebuild; Water Fund shows decrease in debt costs
- ❑ Fire Fund: 1.45% tax increase

FY 2017/18 Recommended Budget

■ FY 2017/18 Financial Highlights

- Includes Town government increase of 0.75%, or \$536,360

- Town government operations increase by \$672,772, or 1.4%
 - Increases in salary and formula benefits \$483,000 (1.6%)
 - Increase in health insurance \$232,000 (3.7%)
 - Net result of one additional frozen position (27 frozen FTE's total)

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- FY 2017/18 Financial Highlights
 - Non-operating budget decrease of \$136K, or -0.6%
 - Planned debt service increases \$477,102
 - Capital decreases \$539,000

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- FY 2017/18 Financial Highlights
 - Board of Education increases 2.1% or \$2.3 million
 - Reflects a reduction of \$880,000 to Board of Education budget request
 - In addition to Recommended Education budget of \$113 million, Alliance Grant funding of \$3.8 million expected as direct payment to BOE
 - Same as current year
 - Alliance Grant funding restricted to Alliance Grant programming – not for core Education program
 - Anticipate Alliance capital funding

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■ Motor Vehicle Tax Cap

- ❑ Statute caps combined motor vehicle mill rate for all Town taxing districts at 32.0 mills; a reduction of 8.18% compared to current mill rate for motor vehicles
- ❑ Since General Fund mill rate exceeds minimum, special taxing districts will not be able to levy taxes on motor vehicles
- ❑ A State Grant is included in the Governor's proposed budget to compensate for lost revenue (including separate appropriation for 8th Utilities District)

FY 2017/18 Recommended Budget

- General Fund Summary
 - Proposed budget requires mill rate increase of 1.92% for real estate and personal property; reduction of 8.18% for motor vehicles
 - Utilizes \$2,000,000 use of fund balance
 - Grand List growth of about 1.23%
 - Generates about \$1.3M in new revenue at the current mill rate, assuming \$10M in Board of Assessment Appeals adjustments
 - Local sources relatively stable
 - Town Clerk fees and Building Permits trending upwards
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■ FY 2017/18 Financial Highlights

- Actual state aid for Manchester in current year expected to be \$1.2M short of Town budget
- Governor's proposal includes several new costs and revenues based on some sweeping policy changes that have not yet been taken up by the Legislature
- Recommended budget assumes \$1.7M reduction in state aid; \$1.2M attributed to current year reductions plus \$500K in additional reductions
- Governor's budget +1.2M aid, Manager projects -\$0.5M; total swing of \$1.7M
- In FY 2006/07, interest earnings = \$1.5M
In FY 2015/16, interest earnings = \$121,000

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■ Tax Impact

- ❑ Resulting mill rate of 35.52 (currently 34.85)
- ❑ Motor vehicle mill rate of 32 (currently 34.85)

Example: home-owner with \$170,000 home (assessed at \$119K) and 2 vehicles valued at \$10,000 each

- ❑ Tax on real estate increases by \$80
- ❑ Tax on motor vehicles goes down by \$40
- ❑ Net increase of \$40

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■ Fire Fund

- Expenditure increase of 2.5%
- Proposed mill rate of 4.90
 - Increase of 1.45% compared to current mill rate
 - Only applies to real estate & personal property; no tax will be levied on motor vehicles
 - Total levy decreases by 2.2% as a result
- Use of reserves to mitigate tax impact
- Capital Budget includes fourth year of apparatus set-aside per Board policy

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- Water Fund
 - Total expenditure decrease of -2.4%
 - Operations increase by 0.4%
 - Non-operating expenses decrease by -6.5%
 - Decrease in debt service of -\$273,157
 - Proposed rate increase of 1.5%

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- Sewer Fund
 - Total expenditure increase of 2.6%
 - Operations increase by 8.2% based on review of actual utility & maintenance costs following plant reconstruction, plus additional chemicals to meet new operating standards
 - Debt Service requirements decrease by -\$259K based on lower-than-expected final cost of plant reconstruction
 - Proposed rate increase of 2.0%

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- Sanitation Fund
 - Total expenditure increase of 0.6%
 - Operating expenses increase by 0.8%
 - Non operating decreases by 1.3% due to phased-in re-assessment of share of MSIP costs
 - Tip fee revenues expected to remain flat; limiting the amount of new refuse taken in to prolong the life of the landfill

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- ❑ Expense increase of 1.56%
- ❑ Use of reserves \$2,000,000
- ❑ Results in mill rate increase of 1.92% for real estate & personal property; motor vehicle mill rate of 32.0 due to statutory cap
- ❑ Increases in Sewer Funds reflect operating costs associated with plant rebuild; Water Fund shows decrease in debt costs
- ❑ Fire Fund: 1.45% tax increase; levy decreases by -2.2% due to motor vehicle tax cap

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Thank you.