

City of Berlin, NH

City Manager's Office



TO: Honorable Mayor and City Council
FROM: Jim Wheeler, City Manager
DATE: March 7, 2016
RE: FY2017 Budget Submission

Included in this binder is the FY2017 City Manager Budget Proposal for your consideration. **Table 1 – General Fund Comparisons FY2016 to FY2017** shows both dollar and percentage increases and decreases of the proposal over the FY2016 adopted budget. In preparation of the budget, Department Heads were asked to submit a Budget Request that exercises fiscal austerity, however, they were also encouraged to state needs above and beyond their budget request in the notes section of the budget.

You will note in Table 1 that the proposal for the General Fund items includes a 1.33% increase. In order to achieve this, the Department Head Budget Requests were reduced approximately 6% in the CM Budget. In dollars, the overall increase to the General Fund is \$481,187. It should be noted that the retirement of a Berlin Water Works bond is included in the expense totals. While carried in the General Fund expenses, the City has been reimbursed the bond payments by BWW. The effect is that it shows as a reduction in the General Fund expenses but it is really a pass through to Berlin Water Works.

The School operating increase is \$613,502 over FY16. In addition, there is a Capital Improvements increase of \$237,285. Together these items total \$850,787. As is customary and appropriate, the Police and School operating budgets have been carried as requested. Finally, Property and Liability Insurance is allocated based on total estimated property values. The recent upgrade to the Wastewater Treatment Facility has resulted in a decrease of the allocation to the General Fund and an increase in allocation to the Sewer Fund due to the increase value of the treatment works. See the next page for **Table 1 – General Fund Comparisons FY2016 to FY2017**.

Table 1 – General Fund Comparisons FY2016 to FY2017

Account	Description	2016	2,017	2016 CM	\$INC./DEC.	\$INC./DEC.
		Budget	Budget Req.	BUDGET	FY2016 TO	FY2016 TO
					FY2017	FY2017
01-401	MAYOR AND CITY COUNCIL Total	64,748	59,820	59,820	(4,928)	-8.24%
01-402	ADMINISTRATION Total	1,135,556	1,152,039	1,152,539	16,983	1.47%
01-403	ELECTIONS Total	16,912	16,712	16,712	(200)	-1.20%
01-404	CITY HALL AND OTHER BUILDINGS Total	55,164	56,136	56,136	972	1.73%
01-405	SPECIAL FUNDS Total	260	260	260	-	0.00%
01-406	PROPERTY AND LIABILITY INS Total	134,516	93,489	93,489	(41,027)	-43.88%
01-407	COUNTY TAX Total	1,553,959	1,603,959	1,603,959	50,000	3.12%
01-408	CENTRAL SERVICES Total	265,000	265,000	265,000	-	0.00%
01-409	DISCOUNTS/ ABATEMENTS/DEEDED P To	100,746	-	-	-	0.00%
01-410	PERSONNEL BENEFITS Total	354,022	322,640	322,640	(31,382)	-9.73%
01-411	CONTINGENCY Total	9,600	9,600	9,600	-	0.00%
01-412	OUTSIDE AGENCIES Total	67,166	102,960	71,764	4,597	4.47%
01-413	CEMETERY Total	12,711	12,961	12,961	250	1.93%
01-414	TRANSFER OUT Total	37,851	39,369	39,369	1,518	3.86%
01-416	IT DEPARTMENT Total	131,850	132,750	132,750	900	0.68%
01-420	POLICE DEPARTMENT Total	2,992,470	3,073,790	3,073,790	81,320	2.65%
01-421	FIRE DEPARTMENT Total	2,034,453	1,926,825	1,920,966	(113,487)	-5.89%
01-422	STREET LIGHTING Total	145,200	145,200	145,200	-	0.00%
01-423	AMBULANCE SERVICE Total	323,000	323,000	323,000	-	0.00%
01-424	SPECIAL PUBLIC SAFETY Total	90,800	90,800	90,800	-	0.00%
01-425	HOUSING DIVISION/HR Total	93,697	103,635	100,635	6,938	6.69%
01-430	PUBLIC WORKS Total	1,875,726	1,904,305	1,904,305	28,579	1.50%
01-431	ENGINEERING Total	-	-	-	-	0.00%
01-436	SOLID /PW Total	838,186	814,985	814,985	(23,201)	-2.85%
01-440	HEALTH DEPARTMENT Total	533,442	573,851	573,851	40,409	7.04%
01-441	WELFARE Total	116,463	112,623	112,623	(3,841)	-3.41%
01-449	PARKS Total	310,590	264,276	264,239	(46,351)	-17.54%
01-450	RECREATION DEPARTMENT Total	128,058	136,970	136,970	8,912	6.51%
01-451	LIBRARY Total	187,756	193,145	193,145	5,388	2.79%
01-460	SCHOOL OPERATING BUDGET Total	17,823,718	18,437,220	18,437,220	613,502	3.33%
01-461	SCHOOL CAPITAL IMPROVEMENTS Total	411,011	245,000	385,000	(26,011)	-10.62%
01-470	DEBT SERVICE Total	783,085	557,891	557,891	(225,193)	-40.37%
01-480	CAPITAL IMPROVEMENT PROJECTS Total	721,900	3,326,035	959,185	237,285	7.13%
	GENERAL FUND Total	33,349,616	36,097,246	33,830,804	481,187	1.33%

Position Eliminations/Modifications

This budget does not reduce the number of full-time or part-time positions over FY16. It does include resources for additional part-time staff in the Health Dept. and seasonal labor in the Public Works Dept. These requests will be discussed in detail during the respective budget meetings with Department Heads.

Estimated Tax Rate

Finally, the tax rate for the last several years and the forecasted tax rate for this budget proposal are listed in Table 2. The forecast assumes no changes in the overall assessments as determined last year in the 5 year revaluation. The CM Proposed Budget is projected to yield a tax rate increase of \$3.19. This is achieved with the use of \$330,000 of Undesignated Fund Balance.

Table 2 – Tax Rate History and Forecast

Fiscal Year	Actual 10/11	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual 15/16	Proposed 16/17
Tax Rate	\$31.70	\$31.70	\$32.31	\$33.00	\$33.35	\$39.19	\$42.38

As the Council considers amendment to this budget proposal you will note that a reduction of approximately \$100,000 in the General Fund will yield a reduction of \$0.25 on the tax rate. As we further engage in the budget process over the next several weeks I look forward to working with the Mayor and Council and Department Heads to answer questions and achieve an approved budget that balances the financial and service needs of the Citizens of Berlin.