



Enfield Budget Committee 2024 Municipal Budget Proposal

***“To assist voters in the prudent
appropriation of public funds”***

-NH RSA 32:1



Budgeting Process and Objectives

Process:

- Town Manager works with Department Heads to prepare a proposed budget and present their proposed budget to the committee
- Committee reviews entire budget and revenues

Objective: To prepare a responsible budget for the Town

- Maintain core services
- Support Enfield's high quality of life
- Ensure funding proposals align with ongoing department-/town-level strategic planning efforts
- Reinforce and encourage town efficiencies
- Make responsible budget decisions to minimize impacts on taxpayers in the short term as well as long term



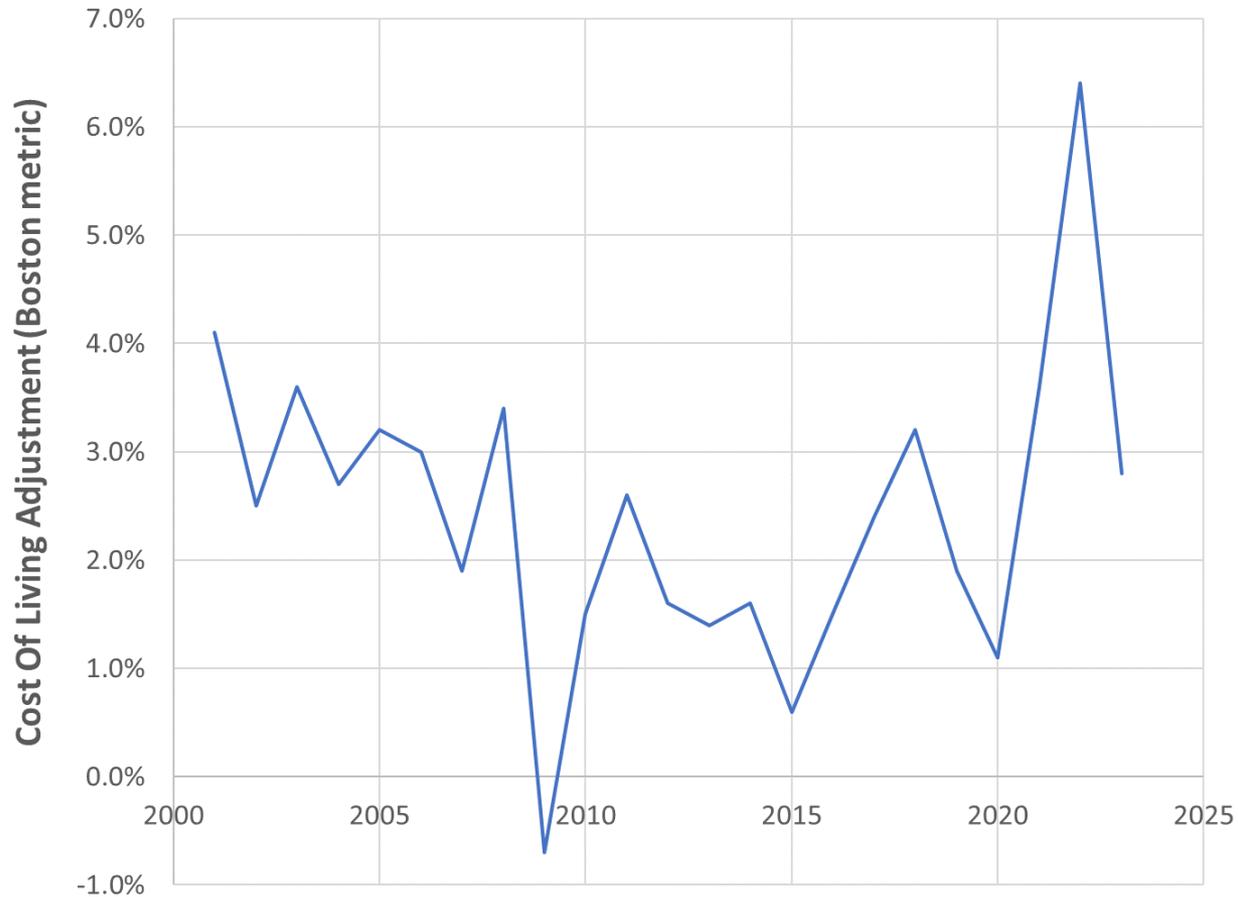
2024 Level of Service

- Maintain departments at existing staffing levels
- Expenses to maintain current service based on prior year expenses
 - Some expense increases are offset by revenues generated in those areas, resulting in no impact on property taxes
 - Examples include recreation (youth sports), water and sewer
 - New contract pricing in effect for several services
 - Waste management
 - Health insurance



Inflation History

- Inflation is slowing down, but economic and wage pressure remain a concern



2024 Labor & Benefits

- The proposed wage cost changed from \$2.514M to \$2.585M (+2.8%) across all general fund accounts
 - Wage adjustments recommended by the compensation study across 2 – 4 years to limit impact on taxes
 - COLA for Boston metric was 2.8% for 2023 (July to July)
 - Nearby towns budgeting for pay adjustments in 3.0% – 5.5% range (average 4.3%)
 - Majority of Enfield adjustments range from 0 – 5%
- Cost of benefits increased from \$1.280M to \$1.448M (+13.2%), largely due to health insurance
 - \$168,389 increase compared to 2023, with \$157,894 due to health insurance



2024 Operating Costs

- The proposed operating costs increased from \$2.542M to \$2.779M (+9.3%)
 - \$96,500 due to Casella and Leb landfill costs
 - Still >50% cheaper than individual waste management
 - Average cost per household through town: \$22/month
 - Typical cost per household for private contracting: \$50-\$100/month
 - \$75,000 due to Shedd street demolition work
 - \$32,500 due to building & road maintenance
 - \$30,000 due to software upgrade (government compliance)
 - \$30,000 due to temporary office costs (LaSalette)
 - \$30,000 due to utilities cost increase
 - Offset by (\$57,316) in cost reductions in other areas



2024 Debt Service

- The debt service increased from \$280k to \$709k (+153%) due to building projects approved in 2022
 - Public Safety Building approved at \$7,259,066
 - Loan secured at 3.15% interest rate for 20 years, with one time rate adjustment, and a 30 year total amortization.
 - Annual costs equal \$377,677, or 5.0% of the total 2024 general operating budget.
 - Whitney Hall Renovation and Expansion approved at \$5,802,150 with a loan not to exceed \$5,558,086
 - Loan secured at 4% interest rate for 20 years, with one time rate adjustment, and a 30 year total amortization.
 - Annual costs equal \$321,545, or 4.3% of the total 2024 general operating budget.



2024 Key Cost Reduction Efforts

- Several departments were level funded (with increases below 1%) or decreased their costs when comparing 2023 budgets to 2024 budgets
 - Police department
 - Ambulance
 - Cemetery
- The town continues to pursue grants to reduce costs to taxpayers
 - In 2023, the town applied for \$2,339,797 in grants, of which \$1,096,733 were awarded. Examples reducing operating costs are:
 - \$180,000 grant for DPW truck replacement
 - \$105,094 towards emergency management
 - \$57,975 towards storm damage repairs

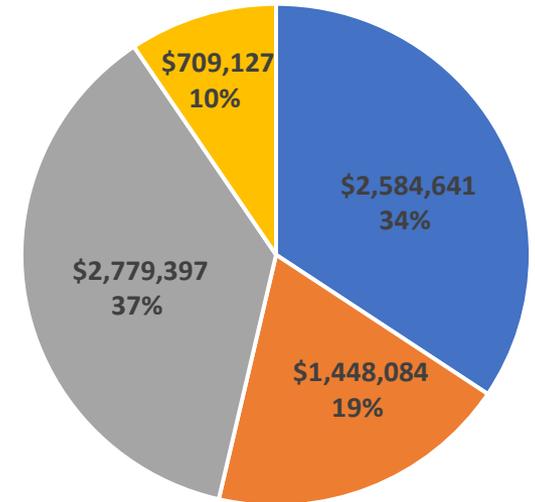


2024 General Fund Summary

- The proposed general operating fund expenses increased from \$6.617M to \$7.521M (+13.7%)
 - Largest increase is in debt service due to WH & PSB loans
 - Operating cost increase ranks second, and benefits third

	2023	2024	Change	% Change
Salaries	\$ 2,514,308	\$ 2,584,641	\$ 70,333	2.80%
Benefits	\$ 1,279,695	\$ 1,448,084	\$ 168,389	13.16%
Operating Costs	\$ 2,542,713	\$ 2,779,397	\$ 236,684	9.31%
Debt Service	\$ 280,534	\$ 709,127	\$ 428,593	153%
Total	\$ 6,617,250	\$ 7,521,249	\$ 903,999	13.66%

Note. Use of 2023 Surplus has no impact on this data as it is accounted for under revenues and tax calculations.



- Salaries
- Benefits
- Operating Costs
- Debt Service



General Fund Increase Summary

- Total general operating budget increase of \$903,999
 - 47% of increase (\$428,593) due to increased debt
 - \$321,545 due to Whitney Hall
 - \$117,624 due to Public Safety Building
 - 26% of increase (\$236,684) due to operating costs
 - \$96,500 due to Casella contract and Leb landfill costs
 - \$75,000 due to Shedd street demolition work
 - \$32,500 due to building & road maintenance
 - \$30,000 due to software upgrade (government compliance)
 - \$30,000 due to LaSallette costs
 - \$30,000 due to utilities cost increase
 - Offset by \$57,316 in cost reductions in other areas
 - 19% of increase (\$168,389) due to benefits
 - \$157,894 due to health insurance costs (15.6% increase in rates)
 - 8% of increase (\$70,333) due to 2.8% increase in wage cost

76% of the cost increase for 2024 is due to building projects, health insurance and waste management.



Enfield Compared to Others

- The town solicited input from other towns on proposed increases to their budgets
 - 23 towns responded and provided input including New London, Grantham, Sunapee, and more
 - Canaan did not provide data
- The metrics of these towns are as follows
 - Increases in operating budget
 - Average of 8.9%, Median of 7.9% across other towns
 - New London (10.8%), Grantham (19.5%), Sunapee (6.9%)
 - Proposed increase in Enfield is 13.7% (7.2% w/o WH & PSB)
 - Increases in total appropriations
 - Average of 10.1%, Median of 10.1% across other towns
 - Proposed increase in Enfield is 11.3% (5.3% w/o WH & PSB)
 - Assumes all proposed budgets articles pass



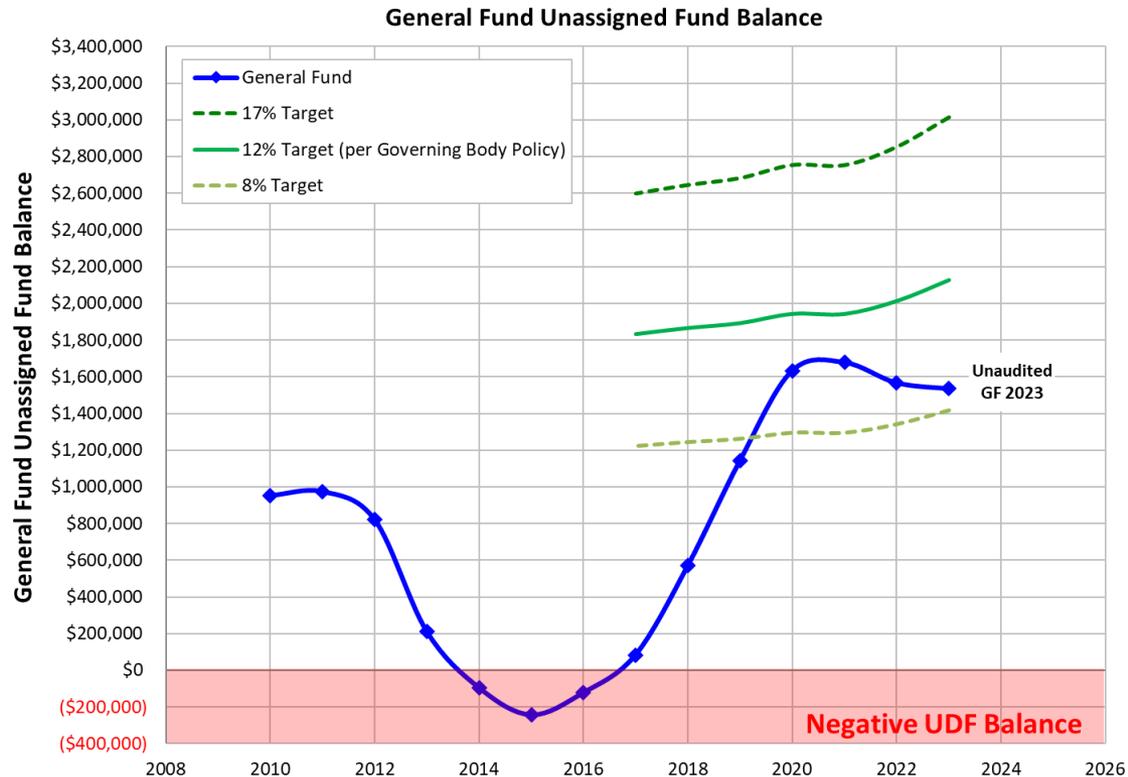
Unassigned Fund Balance History

- The General Fund's Unassigned Fund Balance was depleted during 2011-2015 as a result of multiple budget years seeing costs and revenues failing to meet what was forecasted.
 - Unassigned Fund Balance is accrued as a result of collecting actual non-property tax revenues in excess of what was estimated and/or when actual expenditures are less than budgeted expenditures.
- Since 2016, the Town has been rebuilding the UDF balance consistent with policy goals adopted by Select Board.



General Fund Unassigned Balance

- Unassigned fund balance experienced significant decline from 2012 to 2015, but now within Town policy goals
 - Slow decline is projected, so the town will need to remain vigilant to stay above 8% policy target in future years



2023 Estimated Surplus - Unaudited

Total Est. Surplus = \$281,113

- Impacts over \$10,000 (over and under) account for 76% of surplus
- \$261,233 surplus due to unfilled positions
 - + \$91,684 in benefits
 - + \$106,979 in police open positions
 - + \$62,571 in other positions
- \$70,630 surplus due to debt
- Sum exceeds surplus, indicating overruns in other areas
 - Large operating impacts are a net negative impact of (\$117,714)
 - See table for details

Significant Impacts (Over)/Under-expended >\$10K

	(Over)/Under
4130 Executive Personnel	18,064
4150 Repairs & Service Contracts	(11,161)
4155 Employer Paid FICA	11,126
4155 Health Insurance	80,557
4194 Whitney Hall Maintenance	(31,774)
4194 Electric	(13,000)
Shedd St DPW Garages	(39,462)
4210 Police Personnel Full Time	96,718
4210 Police Personnel Part Time	10,261
4210 Police New Equipment	(51,912)
4215 Ambulance Personnel	21,430
4220 Fire Dept. Clothing	14,261
4311 Personnel Full Time	23,076
4312 Highway New & Replacment Equipment	(14,482)
4312 Aggregate & Fill Materials	36,097
4312 Gravel Road Surface Treatment	(52,468)
4312 Public Works Maintenance	(11,349)
4312 Winter Sand	26,509
4323 MSW Contracts	17,113
4323 MSW Hauling	(11,123)
4324 Landfill Costs	27,263
4711 Principal Expense	41,969
4721 Interest Expense	28,661
4901 Recreation Facility Improvements	10,000
4903 Public Works Facility Repairs & Improve.	(12,226)
Total Significant Impacts	214,148



Use of 2023 Estimated Surplus

- The budget committee recommends the following one-time operating expenses from surplus UDF balance of \$170,500
 - Shedd street demolition (\$75,000)
 - Town Office relocation expenses: \$40,000
 - Community building repairs & maintenance: \$17,000
 - Fire department radios: \$15,000
 - Road survey: \$12,000
 - Culverts (\$60,000 recovered from FEMA): \$11,500
- The budget committee recommends one-time use from surplus UDF balance for the following non-operating purposes
 - \$20,000 towards Police Recruitment & Retention Bonus Trust Fund
 - \$100,000 to reduce town property tax revenues
- Total value of \$290,500
 - This value exceeds the estimated 2023 surplus of \$281,113
 - Approved by budget committee as an exception from established best-practices to mitigate the tax impact to residents



2024 Operating Expenses Summary

Budget Summary Table		Updated	2/2/2024				
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OPERATING EXPENSES							
Category	2023 (Budgeted)	2024 (Budgeted)	% Δ	\$ Δ	2024 (w/o all WH & PSB over 2023)	% Δ	\$ Δ
General Government Operating Budget (excludes items funded from capital reserves, prior year encumbrances & additional appropriations)	\$ 6,617,250	\$ 7,521,249	13.66%	\$ 903,999	\$ 7,092,658	7.18%	\$ 475,408
General Fund Comparison Less Debt Service	\$ 6,336,716	\$ 6,812,122	7.50%	\$ 475,406	\$ 6,812,122	7.50%	\$ 475,406
Water Fund Budget	\$ 300,380	\$ 390,319	29.94%	\$ 89,939	\$ 390,319	29.94%	\$ 89,939
Sewer Fund Budget	\$ 903,816	\$ 950,268	5.14%	\$ 46,452	\$ 950,268	5.14%	\$ 46,452
Capital Projects (Lakeview/Shaker Landing Sewer Extension Debt Service)	\$ 181,313	\$ 181,308	0.00%	\$ (5)	\$ 181,308	0.00%	\$ (5)
TIF (US Route 4 Water/Sewer Extension Debt Service)	\$ 192,088	\$ 367,088	91.10%	\$ 175,000	\$ 367,088	91.10%	\$ 175,000
Total All Funds (including Debt Service)	\$ 8,194,847	\$ 9,410,232	14.83%	\$ 1,215,385	8,981,641	9.60%	\$ 786,794

ADDITIONAL APPROPRIATIONS TO BE FUNDED FROM TAXES				
Category	2023	2024	% Δ	\$ Δ
CIP Capital Reserve Fund (\$600,068 appropriation, less \$46,900 from UFB)	\$ 526,968	\$ 441,355	-16.25%	\$ (85,613)
Police Recruitment & Retention Bonus Trust Fund	\$ -	\$ 20,000	100%	\$ 20,000
Employee & Retiree Benefits Trust Fund (From UFB)	\$ 10,000	\$ -	-100%	\$ (10,000)

Note. Proposed Warrant Articles include other funds, such as Water & Sewer, which don't contribute to property tax rates due to interoperating fund transfers as shown on the next slide.



2024 Operating Revenues

- Estimated 2024 revenues (excluding property taxes) are expected to increase 6.8% or \$252,871
 - Licenses, permits, fees are projected to decrease based on recent trends of reduced revenues from car registrations
 - State sources (incl Rooms & Meals) are also budgeted to decline
 - Interoperating transfers reflect transfers between funds with no net impact on taxes

OPERATING REVENUES				
Category	2023 (Actual) (YTD)	2024 (Estimated)	% Δ	\$ Δ
General Fund Revenues				
Non-Property Tax Revenue	\$ 56,429	\$ 39,200	-30.53%	\$ (17,229)
Licenses, Permits & Fees	\$ 1,145,124	\$ 1,121,350	-2.08%	\$ (23,774)
From Federal Government	\$ 16,284	\$ 80,000	391.28%	\$ 63,716
From State Sources (includes Rooms & Meals Actual not yet recorded)	\$ 630,457	\$ 529,800	-15.97%	\$ (100,657)
Charges for Services	\$ 107,365	\$ 122,500	14.10%	\$ 15,135
Miscellaneous (includes \$170,500 from UFB)	\$ 209,106	\$ 213,400	2.05%	\$ 4,294
Subtotal	\$ 2,164,765	\$ 2,106,250	-2.7%	\$ (58,515)
Interoperating Transfers In (02, 03, 05, 06 Funds)	\$ 1,577,597	\$ 1,888,983	19.7%	\$ 311,386
Other Financing Sources (inc. long-term notes)	\$ -	\$ -		\$ -
Total (excluding property taxes)	\$ 3,742,362	\$ 3,995,233	6.8%	\$ 252,871



2024 Estimated Town Tax Impact

- Total property tax revenue increases 12.9% compared to 2023
- Tax rates can only be estimated as rates are set by the State late in the year and subject to town-wide revaluation in 2024
 - Estimates rely on projected revenues and use 2023 valuations

ESTIMATED TOWN TAX RATE CALCULATION		
Appropriations - All Funds	\$ 9,410,232	\$ 9,410,232
Plus CIP CRF Appropriation (from taxes)	\$ 441,355	\$ 9,851,587
Plus Police Recruitment & Retention Bonus Fund	\$ 20,000	\$ 9,871,587
Plus Employee/Retire Trust Approp (from UFB)	\$ -	\$ 9,871,587
Less Funds from UFB (Exclusive of UFB to CIP CRF)	\$ (20,000)	\$ 9,851,587
Plus Special Warrant Articles (from other sources)	\$ -	\$ 9,851,587
Less Estimated Revenues	\$ (3,995,233)	\$ 5,856,354
Plus Overlay	\$ 35,000	\$ 5,891,354
Plus War Service Credits	\$ 68,200	\$ 5,959,554
Less Use of Fund Balance to Write Down Tax Rate	\$ 100,000	\$ 5,859,554
Divided by 2023 Property Valuation (Tax Rate Setting)	\$ 600,549,656	\$ 0.010
X 1,000 = Est. 2023 Town Tax Rate per \$1,000		\$ 9.76



2024 Estimated Tax Bill Impact

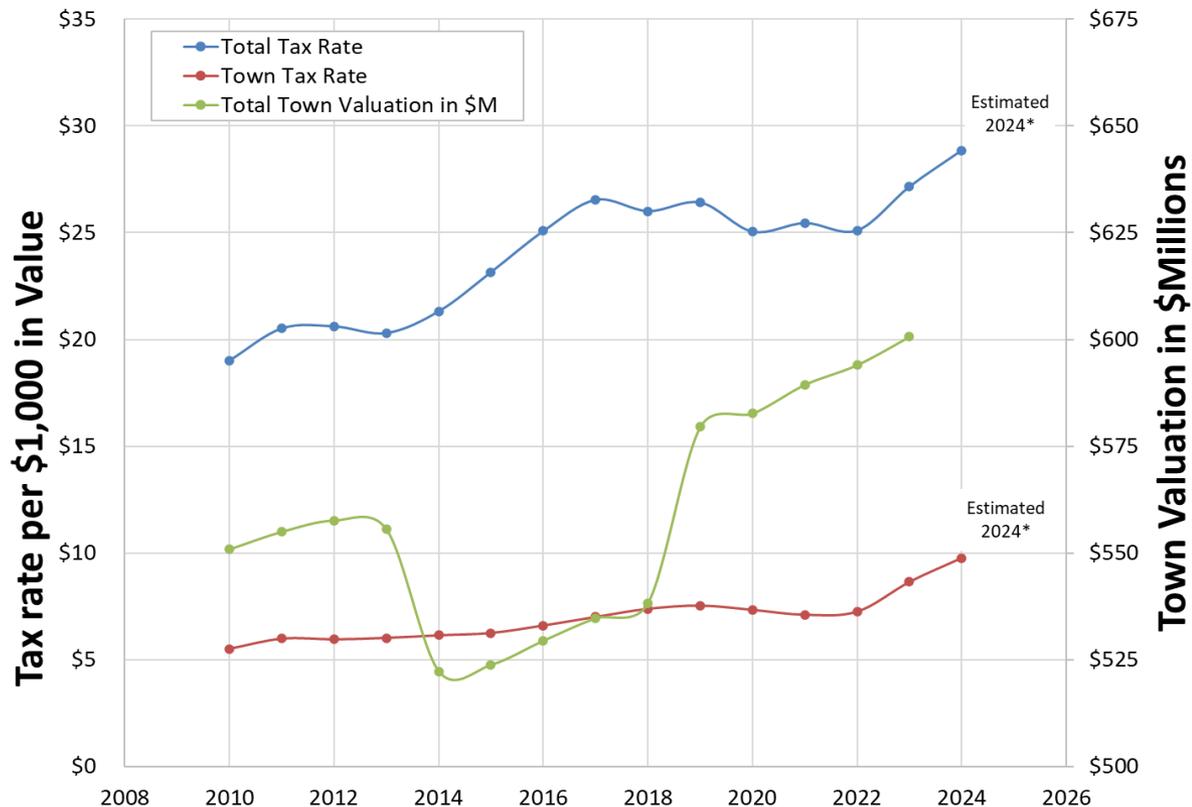
- An estimate is provided based on proposed town and school budgets, along with state & county rates adjusted for COLA
 - Values below are estimates only using 2023 valuations
- Due to changes in valuation and tax rates, it is best to look at the change relative to your last bill, which would increase 6.24%
 - If your 2023 bill was \$5,000, it is estimated to increase to \$5,312
 - +\$312/year or +\$26/month if included in your mortgage payment
 - If your 2023 bill was \$10,000, it is estimated to increase to \$10,624
 - +\$624/year or +\$52/month if included in your mortgage payment

	2023 Actual Rates	Estimated Impact	2024 Estimated Rates	2024 Estimated Increase
County	\$ 1.70	2.8%	\$ 1.75	\$ 0.05
School	\$ 14.85	3.2%	\$ 15.33	\$ 0.48
Town	\$ 8.64	12.9%	\$ 9.76	\$ 1.12
State Education	\$ 1.97	2.8%	\$ 2.03	\$ 0.06
Est. TOTAL per \$1,000	\$ 27.16	6.24%	\$ 28.86	\$ 1.70



Tax Rate and Valuation History

- Total tax rate experienced an increase from 2013 to 2016, but town rates remained largely flat, contributing to erosion of fund balance
- 2024 town tax rate expected to increase to \$9.76 due to WH & PSB building projects approved in 2022 and recent inflation
 - Excluding the impact of 2024 town-wide re-assessment in valuations



*Using 2023 valuations



What Does the Future Look Like?

- While the future is difficult to predict, the following increases of 2024 are not expected to contribute to changes in the 2025 general operating budget
 - Increases due to buildings loans
 - Remediation for Shedd Street property
 - Waste management fees
 - 5-year contract Casella with reduced impacts in future years
- These three items alone were responsible for 66.4% or \$600,093 of the 2024 operating budget increase
- Planned measures to reduce future impacts
 - Evaluate potential benefit of changing health insurance provider (\$164,089 increase in 2024 across all accounts)
 - Continue applying for grants



Warrant Article

Article 2: To see if the Town will vote to raise and appropriate the Budget Committee recommended sum of \$9,410,232 for general municipal operations with \$270,500 to come from the unassigned fund balance. This article does not include appropriations contained in special or individual articles addressed separately.





2023-24 Enfield Budget Committee

Dimitri Deserranno (Chair)

Shirley Green (Vice Chair)

John Kluge (Ex-Officio)

Nancy Smith

Mike Diehn

Dan Kiley

Jane Plumley

Tina Stearns

James Fickett

Bradley Rich

Administration Liaisons: Ed Morris, Alisa Bonnette

The Committee appreciates and thanks the CIP Committee, Town Administration and department heads for their input, cooperation and dedicated service to the Town.

