



# Town of Raymond

2022 *Draft BOS*

## Appropriation Package

Draft Operational Budgets

# Disclaimer

**This presentation affords the BOS an opportunity to provide feedback to the Town Manager for the finalized Appropriation Package submitted to BUDCOM**

- 1) These are Draft Budgets & Warrant Articles & Subject to Change
- 2) Submission of these Drafts to the BUDCOM does not constitute BOS Approval (BOS must vote on the final product)
- 3) Estimated tax impacts are not determined
- 4) This presentation is an overview and is not intended to go “line-by-line”

# Overview

- Board of Selectmen Task to Town Manager
- 2022 Budget Process Way Ahead
- Key Terms
- 2022 Draft Board of Selectmen Town Operational Budget
  - Overview By Department
- 2022 Draft Board of Selectmen Water Department Budget
- Other Considerations

# Board of Selectmen Task to Town Manager

- Ensure growth in the Municipal Tax Rate does not exceed CPI (1.9%)
- Deliberately Fund Unassigned Fund Balance by \$400,000 +5% each yr
- Address Capital Investment Funding Shortfalls (keeping taxes low)
- Ensure Elderly Exemption is not outpaced by SSI COLA
- Incrementally Increase Disabled Veteran Credit (\$500 per year)
- Address Water Department Funding and Capital Issues

# 2022 Budget Process Way Ahead

- Oct 4<sup>th</sup>, 2021
  - BOS receive 2022 Draft Town & Water Operational Budget
  - Draft Budget and Presentation Forward to BUDCOM
- Oct 4<sup>th</sup>-Oct 15<sup>th</sup>, 2021
  - BOS
    - Conduct line-item review of Draft Budget
    - Board Members Submit questions to TM & Finance Director
  - Town Manager and Finance Director
    - Prepare Revenue Budget, Default Budget & Draft Warrant Articles
    - Consolidate BOS questions, provide answers as applicable

# 2022 Budget Process Way Ahead

- Oct 18<sup>th</sup>, 2021
  - BOS receive 2022 Revenue Budget, Default Budget & Warrant Articles
    - BOS provide direction on Budgets
  - Town Manager and Finance Director Present
    - Revenue Budget
    - Default Budget
    - Draft Warrant Articles
    - BOS Questions & Answers
- Oct 19<sup>th</sup>, 2021
  - Draft Revenue Budget, Default Budget & Warrant Articles forwarded to BUDCOM
- Oct 19<sup>th</sup>-Oct 29<sup>th</sup>, 2021
  - BOS
    - Conduct line-item review of Revenue Budget, Default Budget & Warrant Articles
    - Board Members Submit questions to TM & Finance Director
  - Town Manager and Finance Director
    - Finalize Insurance figures, incorporate BOS changes, review for errors

# 2022 Budget Process Way Ahead

- Nov 1<sup>st</sup> , 2021 (DH will be present)
  - Town Manager and Finance Director present final products
  - BOS provide final line-item decisions and vote on 2022 Appropriation Package
- Nov 2<sup>nd</sup> , 2021
  - Final document forwarded to BUDCOM
- Nov 16<sup>th</sup> Present to BUDCOM (Tentative)

# 2022 Town Operational Budget Overview

## Key Terms

- **Fixed Lines;**

- Those non-employee compensation lines where managerial practices & strategies can reduce cost
  - Efficiency Actions (i.e., LED Conversions, Health Plan Conversion, Cyclic and Contingency Warrant Article)
  - Personnel Actions (i.e., Buy-Out Mitigation Strategy, 2019 Town Re-Organization Strategy, Employee Turn-Over)
  - Systematic Reallocation of Funding Lines to Warrant Article CRFs
  - Overtime Mitigation Strategies
  - Contract Negotiations
  - Supply & purchase Controls
  - Culture of Fiscal Stewardship & Employee Cost Saving Innovations/Best Practices

- **Non-Fixed Line;**

- Those Employee Compensation related lines where managerial practices & strategies have limited or no control on costs
  - Union Employee Compensation increases
  - NH Retirement contributions
  - Taxes & Social Security
  - Insurances (also includes no employee-based insurances, i.e.. Property and Liability)



# Town Overall Bottomline Up Front

- The Recommended Budget represents an estimated:

**\$7,760,439**

**+ 1.59% Increase**

**+ \$121,807 Increase**

# 2022 Town Operational Budget Overview

*This is a Draft document and insurance cost are not 100% validated and could change during the review/edit process*

**As highlighted in 2018; Fixed Lines Reductions are now starting to be outpaced by Non-Fixed Line Increases**

## Key Points

- **Fiscal Strategies netted an estimated **-\$130,612** in cuts across Fixed lines & Overtime:**
  - **-\$102,588** in Fixed line Cuts
  - **-\$28,024** in Overtime (DPW, FD & PD)
- **Non-Fixed Line growth (Employee related compensation); saw an **+\$242,420** increase :**
  - **+\$88,845** Employee Compensation (Heavily Teamster Union driven)
  - **+\$74,343** NH Retirement (first full year of State increase)
  - **+89,140** Projected increase in Insurance Cost (Need final numbers)

**Please Note; Excel round numbers and some numbers may not be reflected to the \$1 in the presentation**

**Note; No Adjustments were made to BUDCOM or CONSCOM Budgets**

# 2022 Town Operational Budget Overview

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Town-Wide Budget Change		Town-Wide 2018-2022 Change	
Fixed	\$ (102,588)	Fixed	\$ (481,208)
Employee	\$ 88,845	Employee	\$ 481,130
PD, DPW, FD & Dispatch OT	\$ (28,024)	PD, DPW, FD & Dispatch OT	\$ (16,195)
Insurance	\$ 89,140	Insurance	\$ 15,311
NH Retirement	\$ 74,434	NH Retirement	\$ 191,269
<b>Total</b>	<b>\$ 121,808</b>	<b>Total</b>	<b>\$ 190,307</b>

# Fiscal Principles

## Pre-Application of Town Fiscal Principles

- 2016-2018 (3-cycles)
  - 6.5% Total increase (2.16% Avg)
  - \$409,314 (\$136,438 Avg)
  - These Include the 2017 Default Budget which was only a \$7,851 increase
- In reality, this was an increase across 2-cycles (16 & 18) of:
  - 6.5% Total increase (3.25% Avg)
  - \$409,314 (\$204,657 Avg)

## Post-Application of Town Fiscal Principles

- 2019-2022 (4-cycles)
  - 2.51% 4-Cycle Total increase (0.63% Avg)
    - Note; Total 4-cycle growth is almost equal to the single year growth prior to the 2019 Budget
  - \$190,307 4-Cycle Total increase (\$47,577 Avg)
- 2021-2022 (last 2-cycles)
  - -0.25% Total decrease (-0.125% Avg)
  - -\$19,826 Total decrease (-\$9,913 Avg)

# Impact of 4 Cycles of Fiscal Principles

A 2022 Town Budget that is  
**-\$355,445 to -\$687,710**

**or**

**-4.6% to -11.4%**

**From where we were projected to be  
if we continued the pre-2018 fiscal practices or failed to  
reduce the Fixed Lines**

**Mitigated an estimated \$0.37-\$0.70 Municipal Tax Increase in 2022**

# 2022 Operational Budget Department Overview

## Town Clerk & Tax Collector

TC/TC 2022 Budget Change		TC TC 2018-2022 Change	
Fixed	\$ (2,050)	Fixed	\$ (1,376)
Employee	\$ 5,561	Employee	\$ 55,177
NH Retirement	\$ 3,488	NH Retirement	\$ 10,016
Total	\$ 7,000	Total	\$ 63,818

### Impacting Factors:

- 1) Splitting of Tax Collector & Town Clerk position
- 2) NH Retirement System increase

Please Note; Excel round numbers and some numbers may not be reflected to the \$1 in the presentation

2018-2022 figures are estimates

# 2022 Operational Budget Department Overview

## Town, Legal & Cemeteries

Town, Legal Cemetary 2022 Budget Change		Town, Legal Cemetary 2018-2022 Change	
Fixed	\$ (10,203)	Fixed	\$ (29,779)
Employee	\$ 10,831	Employee	\$ 106,721
NH Retirement	\$ 8,373	NH Retirement	\$ 24,459
Total	\$ 9,001	Total	\$ 101,401

### Impacting Factors:

- 1) Using Onetime Cycle to reduce Legal line
- 2) Using Deeded Property CRF to cover Brownfield cost
- 3) Increase in Computer Service Contract
- 4) NN Retirement System Increase

# 2022 Operational Budget Department Overview

## Town, Legal & Cemeteries

### (Insurance)

**Impacting Factors:**

**1) 2019 Health Plan Cost Reduction Strategy**

**1) Re-alignment of Water Department liabilities under Water Department**

Insurance 2022 Budget Change		Insurance 2018-2022 Change	
In Lieu of Insurance	\$ 12,273	In Lieu of Insurance	\$ 9,748
Vacation Buy-Down	\$ (15,000)	Vacation Buy-Down	\$ (31,107)
Workers Compensation Exp	\$ -	Workers Compensation Exp	\$ (15,208)
Health Insurance	\$ 88,145	Health Insurance	\$ 13,711
Dental Insurance	\$ (734)	Dental Insurance	\$ 4,413
Life Insurance	\$ 1,686	Life Insurance	\$ 2,838
Unemployment Ins	\$ -	Unemployment Ins	\$ (1,366)
Property Liability Insurance	\$ -	Property Liability Insurance	\$ (1,081)
Section 125 Plan Adm	\$ -	Section 125 Plan Adm	\$ 750
Long & Short Term Disability Ins	\$ 2,769	Long & Short Term Disability Ins	\$ 7,862
FSA Contributions	\$ -	FSA Contributions	\$ 24,750
<b>Total</b>	<b>\$ 89,140</b>	<b>Total</b>	<b>\$ 15,311</b>



# 2022 Operational Budget Department Overview

## Elections

Elections 2022 Budget Change			Elections 2018-2022 Change		
Fixed	\$	(342)	Fixed	\$	(4,158)
Employee	\$	853	Employee	\$	(10,563)
NH Retirement	\$	(133)	NH Retirement	\$	(110)
Total	\$	378	Total	\$	(14,831)

### Impacting Factors:

- 1) Using Onetime Cycle to reduce peak year election cost
- 2) Address overfunding of employee
- 3) NH Retirement System increase

# 2022 Operational Budget Department Overview

## Assessing

Assessing 2022 Budget Change			Assessing 2018-2022 Change		
Fixed	\$	(1,073)	Fixed	\$	16,227
Employee	\$	1,206	Employee	\$	(524)
NH Retirement	\$	796	NH Retirement	\$	1,159
Total	\$	930	Total	\$	16,862

### Impacting Factors:

- 1) Not filling Community Director Position
- 2) 2018 Budget did not capture contracted \$16K cost. Added in 2019, 2020, 2021 & 2022 (total of \$64K)
- 3) NH Retirement System Increase

# 2022 Operational Budget Department Overview

## Building Inspector

Building Inspector 2022 Budget Change		Building Inspector 2018-2022 Change	
Fixed	\$ 29	Fixed	\$ (1,693)
Employee	\$ 1,501	Employee	\$ 10,562
NH Retirement	\$ 1,138	NH Retirement	\$ 2,900
<b>Total</b>	<b>\$ 2,668</b>	<b>Total</b>	<b>\$ 11,769</b>

### Impacting Factors:

- 1) NH Retirement System increase

# 2022 Operational Budget Department Overview

## Planning

Planning 2022 Budget Change		Planning 2018-2022 Change	
Fixed	\$ 15,429	Fixed	\$ 21,389
Employee	\$ (34,965)	Employee	\$ (96,110)
NH Retirement	\$ (5,230)	NH Retirement	\$ (11,182)
<b>Total</b>	<b>\$ (24,766)</b>	<b>Total</b>	<b>\$ (85,903)</b>

### Impacting Factors:

- 1) Not filling Community Director Position
- 2) Using Contracted Services to reduce employees
- 3) Using Developer Escrows to cover portions of contracted cost (potential are for future reduction)

# 2022 Operational Budget Department Overview

## Police Department

PD 2022 Budget Change			PD 2018-2022 Change		
Fixed	\$	(7,977)	Fixed	\$	(32,897)
Employee	\$	34,941	Employee	\$	227,837
PD OT	\$	(17,365)	PD OT	\$	(21,091)
NH Retirement	\$	36,370	NH Retirement	\$	70,689
Total	\$	45,969	Total	\$	244,538

### Impacting Factors:

- 1) Teamster Union Contract
- 2) Using Detail Fund to remove \$30,000 Vehicle line
- 3) DH Implementation of Overtime Mitigation Strategies
- 4) NH Retirement System Increase

# 2022 Operational Budget Department Overview

## Fire Department

FD 2022 Budget Change		FD 2018-2022 Change	
Fixed	\$ (4,007)	Fixed	\$ (16,682)
Employee	\$ (8,644)	Employee	\$ 47,569
FD OT	\$ (2,814)	FD OT	\$ 3,954
NH Retirement	\$ 4,101	NH Retirement	\$ 40,471
Total	\$ (11,365)	Total	\$ 75,312

### Impacting Factors:

- 1) 2019 addition of Firefighter
- 2) DH Implementation of Overtime Mitigation Strategies
- 3) NH Retirement System Increase

# 2022 Operational Budget Department Overview

## Emergency Management & Ambulance

EM & Ambulance 2022 Budget Change		EM & Ambulance 2018-2022 Change	
Fixed	\$ (134)	Fixed	\$ (4,123)
Employee	\$ 12	Employee	\$ (25)
NH Retirement	\$ -	NH Retirement	\$ 132
<b>Total</b>	<b>\$ (122)</b>	<b>Total</b>	<b>\$ (4,016)</b>

### Impacting Factors:

- 1) Fiscal Principles

# 2022 Operational Budget Department Overview

## Dispatch

Dispatch Budget Change			Dispatch 2018-2022 Change		
Fixed	\$	330	Fixed	\$	(2,774)
Employee	\$	25,658	Employee	\$	65,732
Dispatch OT	\$	-	Dispatch OT	\$	(3,683)
NH Retirement	\$	8,158	NH Retirement	\$	15,085
Total	\$	34,146	Total	\$	74,361

### Impacting Factors:

- 1) Teamster Union Contract
- 2) DH Implementation of Overtime Mitigation Strategies
- 3) NH Retirement System Increase



# 2022 Operational Budget Department Overview

## DPW

DPW 2022 Budget Change			DPW 2018-2022 Change		
Fixed	\$	(89,234)	Fixed	\$	(427,431)
Employee	\$	44,405	Employee	\$	19,852
DPW OT	\$	(7,845)	DPW OT	\$	4,625
NH Retirement	\$	14,622	NH Retirement	\$	28,895
<b>Total</b>	<b>\$</b>	<b>(38,051)</b>	<b>Total</b>	<b>\$</b>	<b>(374,059)</b>

### Impacting Factors:

- 1) Eliminated double funding (Budget & CRF)
- 2) Use of Revitalization CRFs
- 3) Energy Reduction Strategies
- 4) DH Implementation of Overtime Mitigation Strategies
- 5) NH Retirement System Increase

# 2022 Operational Budget Department Overview

## Welfare

Welfare Budget Change			Welfare 2018-2022 Change		
Fixed	\$	(1,271)	Fixed	\$	6,841
Employee	\$	1,087	Employee	\$	6,099
NH Retirement	\$	(2,327)	NH Retirement	\$	(1,569)
Total	\$	(2,511)	Total	\$	11,371

### Impacting Factors:

- 1) Increased Rent Assistance
- 2) 2018 BOS decision to Taxes & Water are paid prior to Landlord
- 3) Elimination of NH Retirement System obligation

# 2022 Operational Budget Department Overview

## Library

Library Budget Change		Library 2018-2022 Change	
Fixed	\$ (1,067)	Fixed	\$ 917
Employee	\$ (1,393)	Employee	\$ 18,553
NH Retirement	\$ 3,149	NH Retirement	\$ 5,988
<b>Total</b>	<b>\$ 688</b>	<b>Total</b>	<b>\$ 25,458</b>

### Impacting Factors:

- 1) Energy Reduction Strategies
- 2) DH Implementation of Overtime Mitigation Strategies
- 3) NH Retirement System Increase

Note; Library Trustees wish to present an expansion Library duty positions (not included here)

# 2022 Operational Budget Department Overview

## Recreation

Recreations Budget Change			Recreations 2018-2022 Change		
Fixed	\$	(1,019)	Fixed	\$	(5,670)
Employee	\$	7,792	Employee	\$	30,250
NH Retirement	\$	1,930	NH Retirement	\$	4,335
Total	\$	8,703	Total	\$	28,915

### Impacting Factors:

- 1) Expansion of Summer Councilors (Revenue Offset)
- 2) NH Retirement System Increase

# Water Dept Overall Bottomline Up Front

The Recommended Water Budget represents

**\$848,520**

**-0.18%**

**-\$1,526**

**0.55% Increase** in the Water Operational Budget (**\$3,084**)

**-1.6% (-\$4610)** in Debt Payment

# Water Dept Draft Budget

Water 2022 Budget Change (Not Debt)		Water 2018-2022 Change	
Fixed	\$ (25,209)	Fixed	\$ (59,345)
Employee	\$ 936	Employee	\$ 11,851
NH Retirement	\$ 2,800	NH Retirement	\$ 10,044
Insurance	\$ 24,556	Insurance	\$ (18,384)
<b>Total</b>	<b>\$ 3,084</b>	<b>Total</b>	<b>\$ (55,833)</b>

**0.55% Increase** in the Water Operational Budget (**\$3,084**)  
**-1.6% (-\$4,610)** in Debt Payment

# Water Dept Draft Budget

- **Pre-Application of Town Fiscal Principles**

- 2016-2018 (3-yr)
- **12.9% Total increase (4.3% Avg)**
- **\$78,811 Total increase (\$26,270 Avg)**
- **No 2017 Default Budget Impact on Water**

- **Post-Application of Town Fiscal Principles**

- 2018-2022 (4-yr)
- **-9.09% Total Decrease (-2.27 Avg)**
- **-\$55,833 Total Decrease (-\$13,958 Ave)**

# Impact of 4 Cycles of Fiscal Principles

**A 2022 Water Budget that is**

**-\$160,913**

**or**

**-19%**

**From where we were projected to be  
if we continued the pre-2018 fiscal practices**

**Mitigated an estimated additional 17% rate increase in 2022**



# Other Considerations

- **With sustained budget cuts & reduction in Revenues the Town may not be able to meet Unassigned Fund Balance Goals & the Warrant Articles that help mitigate taxes. Board may want to Consider:**
  - **Funding Onetime Cyclic legal and computer lines first**
  - **Fund Insurance CRF to mitigate potential underfunding**
  - **Balance Unassigned Fund Balance Growth & Road Revitalization**

# Questions