

2018 Deliberative Session Financial Update

Milford's Financial Health Remains Strong

- * **2018 Operating Budget**
- * **Tax Impact**
- * **Debt Service**
- * **Fund Balance**
- * **Non-Tax Revenue**

2018 Proposed Municipal Expense Budget

- * **Proposed 2018 Operating Budget is \$14,060,271**
 - * Increase of \$86,990 or 0.6% from 2017 Operating Budget
 - * Default Budget is \$14,062,606

BUDGET DRIVERS FROM 2017 INCLUDE

Reductions from 2017

- * Health Insurance – (\$209K) No change in benefits. Proactive approach - Employee Wellness Campaigns & Smart Shopper programs.
- * Streetlights – (\$27K) LED bulbs
- * MFD – Architect Fee (\$25K) 2017 one-time expense

Increases from 2017

- * Debt Service - \$88K Road & Stormwater bonds, grader
- * NHRS Rate Increase - \$70K
- * Wage Increase - \$66K
- * MFD - \$36K Two FT firefighters (April & October)
- * Ambulance - \$28K PT rate increase
- * MPD - \$26K officer promotions
- * Building Inspection - \$26K additional PT inspector

2018 Proposed Operating Budget

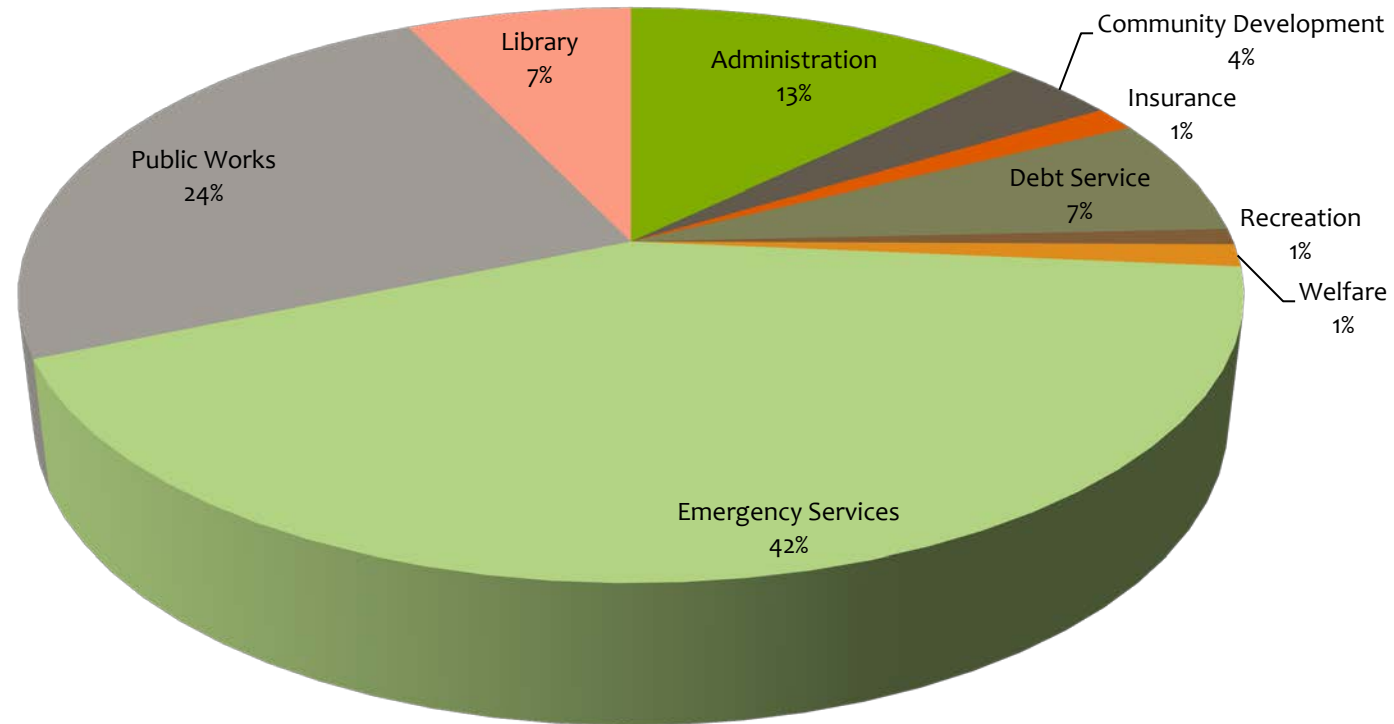
Department Expenses with Benefits Allocation

| Department | Amount | % |
|-----------------------|-------------------|-----------|
| Administration | \$ 1,807,487 | 13% |
| Community Development | \$ 471,180 | 4% |
| Insurance | \$ 169,162 | 1% |
| Debt Service | \$ 1,006,904 | 7% |
| Recreation | \$ 128,522 | 1% |
| Welfare | \$ 175,135 | 1% |
| Emergency Services | \$ 5,931,096 | 42% |
| Public Works | \$ 3,397,451 | 24% |
| Library | <u>\$ 973,334</u> | <u>7%</u> |
| Total | \$14,060,271 | 100% |

2018 Proposed Operating Budget

Department Expenses with Benefits Allocation Chart

2018 Proposed Operating Budget



2018 Proposed Municipal Expense Budget

Tax Impact

- * **Current municipal tax rate is \$6.65. The Municipal portion of the tax rate has decreased each of the past three years.**
- * **If the 2018 proposed operating budget and all warrant articles are approved, the municipal tax rate would decrease 4.1% to \$6.38**
 - * Non-tax revenue is projected to increase 5.5% to \$6,060,295.
 - * Net property assessment is projected to increase 1.7% to \$1,378,716,644.
 - * We have proposed a very lean operating budget.

BUDGET VS. ACTUAL HISTORY, 2012-2017

| Actual to | | | |
|--------------|---------------|---------------|-----------------|
| <u>Year</u> | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> |
| 2012 | \$ 11,832,885 | \$ 11,541,782 | 97.5% |
| 2013 | \$ 12,447,557 | \$ 12,291,430 | 98.7% |
| 2014 | \$ 13,025,297 | \$ 12,853,549 | 98.7% |
| 2015 | \$ 13,675,218 | \$ 13,416,226 | 98.1% |
| 2016 | \$ 13,804,411 | \$ 13,616,906 | 98.6% |
| 2017 | \$ 13,973,281 | \$ 13,841,000 | 99.1% Estimated |

DEBT RATIO

- * **Low Debt: 25% of statutorily allowed maximum.**

The State of NH requires that a town's debt ratio cannot exceed 3% of its equalized valuation (RSA's 33:4-a & 33:4-b):

- * Maximum allowed debt is \$42.5M – our current debt is \$10.8M or 0.8%

DEBT RATIO

| | Millions | Percent of Allowed Maximum |
|--|-----------------|-------------------------------|
| Actual debt - year end 2017 | \$ 10.8 | 25.4% |
| <ul style="list-style-type: none">▪ Debt increased \$2.5 million from 2016▪ Water Utilities is \$4.3 million or 40% of Town Debt (paid by users).▪ Town debt at \$6.5 million is very manageable | | |
| 2018 projected additional debt (Fire Station \$3,864K & Sidewalk Plow \$155K) | \$ 4.0 | |
| 2018 retiring debt | \$ (1.5) | |
| Estimated debt - year end 2018 | \$ 13.3 | 31.3% |

FUND BALANCE & NON-TAX REVENUE

- * **Fund Balance:**

- * \$2,941,312 (2017 year end estimate)
- * 7.4% of Town, School & County Net Appropriation

- * **Non-Tax Revenue Growth Continued in 2017**

- * \$5.6% Increase or \$308,000 over 2016
- * Projecting a 5.5% increase for 2018
- * Non-Tax Revenue includes Vehicle Registrations, Ambulance Fees, Rooms & Meals allocation, Highway Block Grant, etc.

Questions?