

# 2023 Deliberative Session Financial Update



# Milford's Financial Health Remains Strong

- **2023 Operating Budget**
- **Tax Impact**
- **Debt Service**
- **Fund Balance**
- **Non-Tax Revenue**

# 2023 Proposed Municipal Expense Budget

- **2023 Operating Budget is \$17,291,068**
  - Increase of **\$918,708 or 5.6% from the 2022 Budget**
- **2023 Default Budget is \$17,041,768**
  - This is **\$249,300 less than the proposed** Operating Budget.

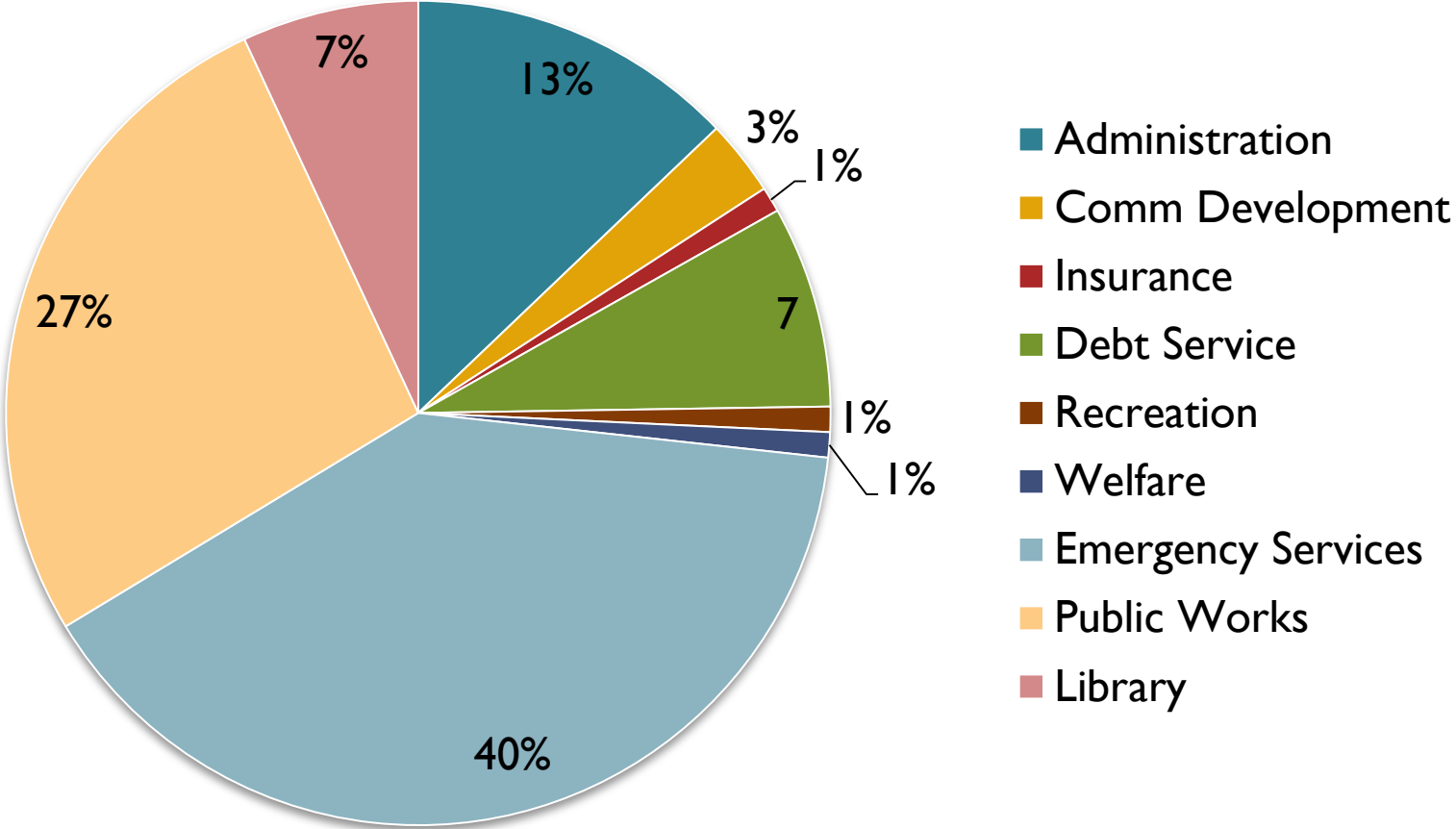
# BUDGET DRIVERS FROM 2022 INCLUDE

- Salaries & Wages - \$117K
  - 2022 Wage adjustments - \$215K  
(DPW, Ambulance, Fire, Salary)
  - Staff increase at MFD - \$78K
  - Employee Benefits - \$255K
  - Debt Service - \$128K (Fire Truck & Plow)
  - Library - \$61K
  - Electricity - \$35K
  - Salt - \$28K
- COLA & Staffing Adjustments  
BOS approved to  
address recruiting &  
turnover (21% & 29%)  
Voter approved in 2022  
Health insurance,  
retirement & taxes  
Voter approved in 2022  
Primarily wages  
Rate Increase  
Rate Increase



# PROPOSED OPERATING BUDGET

Percent of Total Budget



# **2023 Proposed Operating Budget Department Expenses with Benefits Allocation**

Department	Amount	%
Administration	\$2,117,116	13%
Community Development	\$551,911	3%
Insurance	\$177,022	1%
Debt Service	\$1,292,359	7%
Recreation	\$162,132	1%
Welfare	\$144,445	1%
Emergency Services	\$6,973,751	40%
Public Works	\$4,609,193	27%
Library	<u>\$1,263,139</u>	<u>7%</u>
<b>TOTAL</b>	<b>\$17,291,068</b>	<b>100%</b>

# OPERATING BUDGET VS. ACTUAL HISTORY, 2015-2022

	Year	Budget	Actual	Actual to Budget	
	2015	\$ 13,675,218	\$ 13,416,226	98.1%	
	2016	\$ 13,804,411	\$ 13,616,906	98.6%	
	2017	\$ 13,973,281	\$ 13,715,298	98.2%	
	2018	\$ 14,081,843	\$ 13,848,007	98.3%	
	2019	\$ 14,764,173	\$ 14,527,946	98.4%	
	2020	\$ 15,261,695	\$ 14,985,746	98.2%	
	2021	\$ 15,664,508	\$ 15,428,243	98.5%	
	2022	\$ 16,372,360	\$ 16,100,000	98.3%	Estimated

# DEFAULT BUDGET

Operating Budget FY 2023 (per W/A #4)		<b>\$17,291,068</b>
FY 2023 DEFAULT BUDGET		<b><u>\$17,041,768</u></b>
<b>Difference</b>		<b>\$249,300</b>
FY 2023 DEFAULT BUDGET		<b>\$17,041,768</b>
FY 2022 Operating Budget		<b><u>\$16,372,360</u></b>
<b>Difference</b>		<b>\$669,408</b>
<u>Contractual &amp; Statutory Expenditures</u>		
Teamsters, Health & Insurance Increases, Salary & Wages, Employee Benefits		
3 new Firefighters approved in 2022		\$548,000
FY 2022 - Principal & Interest Long Term Debt	(\$1,164,263)	
FY 2023 - Principal Long Term Bonds & Notes	\$1,292,359	
	<b>Net Change--&gt;</b>	<b>\$128,096</b>



# 2023 Proposed Budget Tax Impact

- Current municipal tax rate is **\$4.51**.
- Non-tax revenue is projected at **\$7,275,000**
- Selectmen may use Fund Balance to reduce taxes.
- Net property assessment is projected to increase **.2% to \$2,075,556,070**.
- If the 2023 proposed operating budget and all warrant articles are approved, the municipal tax rate would increase **18.8% to \$5.36**

# DEBT RATIO

- **Low Debt: 20.4% 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 \$62.1M – our current debt is \$13.8M or 0.67% of equalized valuation.

# DEBT RATIO

	Millions	Percent of Allowed Maximum
<b>Actual debt - year end 2022</b>	<b>\$ 13.8</b>	<b>20.4%</b>
<ul style="list-style-type: none"> <li>▪ Debt increased \$1 million from 2021</li> <li>▪ Water Utilities is \$5.4 million</li> <li>▪ Town debt at \$8.4 million</li> </ul>		
<b>2023 projected additional debt</b>	<b>\$ 0.0</b>	
<b>2023 debt payments</b>	<b>\$ (1.9)</b>	
<hr/>		
<b>Estimated debt - year end 2023</b>	<b>\$ 11.9</b>	<b>19.4%</b>
<b>2024 projected additional debt</b>	<b>\$ 0.0</b>	
<b>2024 debt payments</b>	<b>\$ <u>(.4)</u></b>	
<b>Estimated debt – year end 2024</b>	<b>\$ 11.5</b>	<b>18.7%</b>

# FUND BALANCE & NON-TAX REVENUE

## **Fund Balance: Steady Growth in the Fund Balance from 2016 - 2022**

- \$4,001,664 (2022 year end estimate)
- 8.7% of Town, School & County Net Appropriation
- Selectman voted to use \$750,000 from the fund balance to reduce the 2022 tax rate. Projected balance at 12/31/23 is \$4,002,000 or 8.07%

## **Non-Tax Revenue increased by 5.2% over 2021**

- 2022 Estimated Revenue \$6,994,093
- Projecting 2023 revenue of \$7,275,000(State, TC, Interest, Demo)
- Non-Tax Revenue includes Vehicle Registrations, Ambulance Fees, Rooms & Meals allocation, Highway Block Grant, etc.

# Questions?



**Working together to serve our Community!**