

Town Status Report – January 27, 2020

Milford Unreserved Fund Balance Update and Amount to Reduce Taxes –

Please refer to the Fund Balance Analysis spreadsheet prepared by Paul Calabria, Finance Director. Professional guidance is provided to towns on the minimum fund balance as a percentage of Town, County and School Appropriations as follows:

- NH DRA recommends that towns retain 5% to 10%
- NHGFOA recommends that towns retain 8% to 17%

Our unaudited fund balance at 12/31/19 is \$4,451,273 and represents 10.7% of the Gross Town, County and School Appropriations. This is well within the guidelines and is an increase of \$549,929 from the prior year balance. We have shown a steady increase in Fund Balance for the past five years due to a combined expense surplus and improved revenues.

Last year we used \$200,000 from Fund Balance to reduce taxes along with the unexpected Municipal Aid of \$182,960 for a total of \$382,960.

This year, staff recommends using \$500,000 of Fund Balance to reduce taxes. The remaining Unreserved Fund Balance would be \$3,951,273 or 9.5% of Gross Appropriations. If you look at the 2020 Budget Summary & Estimated Tax Rate Calculation, using the proposed \$500,000 would provide an Estimated 2020 Tax Rate of \$6.01 if the Proposed Budget and all Warrant Articles pass. This is an increase of \$0.27 or 4.7%

Town of Milford
Fund Balance analysis
Prepared: January 20, 2020

Minimum Level of Unassigned Fund Balance as a percentage of Town, County & School Appropriations:

Per T. of Milford Finance Policy	5% to 15%
Per NHDRA recommendation	5% to 10%
Per NHGFOA recommendation	8% to 17%

Fund Balance:

	Actual	
12/31/2018	3,901,344	
12/31/2019	4,451,273	<i>*Unaudited</i>

Gross Appropriations (Town, County & School):

FY 2019	41,509,395	
10.7%	4,451,273	<i>*Unaudited</i>
5%	2,075,470	
10%	4,150,940	
15%	6,226,409	

Fund Balance used to reduce the tax rate:

<u>FB Used</u>	<u>Remaining Fund Balance</u>	<u>% of Gross Appropriations</u>
250,000	4,201,273	10.12%
500,000	3,951,273	9.52%
750,000	3,701,273	8.92%
1,000,000	3,451,273	8.31%

TOWN OF MILFORD

2020 BUDGET SUMMARY & ESTIMATED TAX RATE CALCULATION

Result of Deliberative Session

Art #	OPERATING BUDGETS: (See Budget Detail)	2020 GROSS APPROPRIATION	ESTIMATED NON-PROPERTY TAX REVENUE	FED. GRANTS & BONDS	USE OF FUND BALANCE	AMOUNT TO BE RAISED IN PROPERTY TAXES	TAX \$
7	Town Operating Budget	15,261,695	\$ (6,494,442)			8,767,253	5.417
	SEPARATE & SPECIAL WARRANT ARTICLES						
3	Library Renovation	2,763,000		(2,763,000)		-	-
4	Emergency Communications Bond	2,400,000		(2,400,000)		-	-
5	Existing Emergency Communications Dispatch Center Upgrade	1,180,000		(1,180,000)		-	-
10	Reconstruction of Roads	400,000				400,000	0.247
11	Cap. Res. Fund - Bridge Replacement	75,000				75,000	0.046
12	Ambulance Lease Purchase	45,180				45,180	0.028
13	Cap. Res. Fund - DPW Vehicles & Hwy Equipment	40,000				40,000	0.025
14	Social Services	40,000				40,000	0.025
15	SVTC Community Bus Service	32,000				32,000	0.020
16	Cap. Res. Fund - Fire Apparatus Replacement	25,000				25,000	0.015
17	Cap. Res. Fund - Town Facilities Cap. Exp.	25,000				25,000	0.015
18	Cap. Res. Fund - Amb. Vehicle Replacement	25,000				25,000	0.015
19	Cap. Res. Fund - Keyes Park Expansion	25,000				25,000	0.015
20	Bucket Londer Lease Purchase	22,980				22,980	0.014
21	Police & Fire Portable Radio Replacements	22,800		(22,800)		-	-
22	Cap. Res. Fund - Pub. Safety Comm. Equip.	20,000				20,000	0.012
23	Conservation Land	20,000				20,000	0.012
14	Cap. Res. Fund - Assessing Revaluation	15,000				15,000	0.009
25	Labor Day Parade	10,000				10,000	0.006
26	Summer Band Concerts	9,000				9,000	0.006
27	Fourth of July Fireworks	8,500				8,500	0.005
28	Pumpkin Festival, Décor, Plants	8,000				8,000	0.005
29	Memorial, Veterans, Labor Days Parades	6,500				6,500	0.004
38	Nashua Street Pedestrian Project	750,500		(600,400)		150,100	0.093
39	Osgood, Melendy & Armory Road Pedestrian Project	763,000		(610,400)		152,600	0.094
	TOTAL PER WARRANT	\$ 23,993,155	\$ (6,494,442)	\$ (7,576,600)	\$ -	\$ 9,922,113	6.13
	TAX RATE CREDITS AND ADJUSTMENTS						
	Overlay - (Reserve for Abateaments)	75,000				75,000	0.046
	Veteran's Credits	231,300				231,300	0.143
	County Portion of Shared Revenue					-	-
	TOTAL CREDITS & ADJUSTMENTS	\$ 306,300	\$ -		\$ -	\$ 306,300	0.19
	AMOUNT OF TAXES TO BE RAISED					\$ 10,228,413	6.32
	LESS: ESTIMATED USE OF UNRESERVED FUND BALANCE TO REDUCE TAXES				(500,000)	(500,000)	(0.31)
	TOTAL:	\$ 24,299,455	\$ (6,494,442)	\$ (7,576,600)	\$ (500,000)	\$ 9,728,413	6.01
	TAXABLE NET ASSESSMENT (est.)					\$1,618,557,667	\$6.01
	2020 ESTIMATED TAX RATE					\$ 6.01	
	2019 ACTUAL TAX RATE					\$ 5.74	
	ESTIMATED INCREASE/(DECREASE) OVER 2019 TAX RATE					\$ 0.27	4.7%

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