

Town of Salem
Town Manager's
Recommended
FY 2024
Operating Budget
Presentation
October 11, 2023



Presented By:
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Town Manager

Town Manager Budget Goals

- Challenged Department Heads to review operations and focus on efficiencies
- Provided the guardrail analogy to staff to capture the Council's guidance
- Address aging infrastructure and look at long term needs
- Look towards the future to limit budget fluctuations



Impacts to the Budget

- In 2023, The Town Manager recommended budget proposed \$1,500,000 in Unassigned Fund Balance. As we progressed through the budgeting process, this was increased to \$4,174,735. I am again recommending \$1,500,000 of Fund Balance.
- The growth of the community was lower than expected in 2023.
- The solid waste contract (transfer station) continues to have an impact on this year's budget.
 - (\$192,429 increase)
- General Fund Revenue is down \$4,605,284



Highlights

- Capital includes the second year of the Fleet Replacement Program
 - In addition to the Fleet Replacement Program, the Capital Budget includes an Ambulance and a Large 6 wheel multipurpose J Hook Truck.
- Capital also includes \$200,000 for document scanning and \$400,000 to relocate utilities underground around the Main and Pleasant Street Intersection
- How Many new FTE Positions did we add – 4 new positions
 - Deputy Health Officer
 - Chief Technology Officer
 - Grant Writer
 - Support Services Clerk (PD)



Reductions

- Software for the Police Department
- Cemetery Culvert
- Engineering for Millville St. culvert
- DPW Garage feasibility study
- Reduced the amount requested for winter weather operations
- Multiple new software requests
- Some carpeting and office furniture requests



2024 Tax Rate Information

- **Disclaimer:** Tax Rate numbers used in this budget presentation are estimates. The Tax rate for 2023 has not been set, but is anticipated to be \$5.46
- The estimated increase from the 2023's \$5.46 for this budget, as presented, will be \$5.89 for an anticipated tax rate increase of \$0.43
 - This would result in a \$230 increase for a home valued at \$500,000
- Warrant Articles will be discussed in December, but anticipated warrants include:
 - Road Program
 - OPEB Contribution
 - Possible Land Purchase
 - Millville Dam Repairs
 - Winter Weather Trust contribution
 - Police Station
 - Possible Fire Collective Bargaining Agreement



Budget Assumptions

- **Electric - 3-year weighted average plus 4%**
- **Gasoline – 3-year weighted average (gallons) at \$2.88 per gallon**
- **Diesel – 3-year weighted average (gallons) at 2.77 per gallon**
- **Oil – 3-year weighted average plus 20%**
- **Natural Gas – based on 3-year weighted average plus 15%**
- **Health Insurance – decreased 4%**
- **Property & Liability – increased 2.5%**
- **Workers Compensation – increased 6%**



Town Property Tax Calculation

2024 Estimated Tax Rate		
	<u>2023</u>	<u>2024</u>
Town Operating Budget (Incl. Library)	51,326,654	52,008,259
Warrant Articles	5,781,295	3,840,000
Revenue	(22,542,275)	(17,936,991)
Sub Total	34,565,674	37,911,268
War Credits/Overlay	1,252,000	1,000,000
Total to be raised by taxes	35,817,674	38,911,268
Assessed Valuation Estimate	6,559,418,798	6,608,614,439
Total Estimated Tax Rate	5.46	5.89
Estimate Current Rate	5.08	5.46
Tax Rate Increase	0.38	0.43
Proposed Tax Rate % Increase	7.48%	7.88%

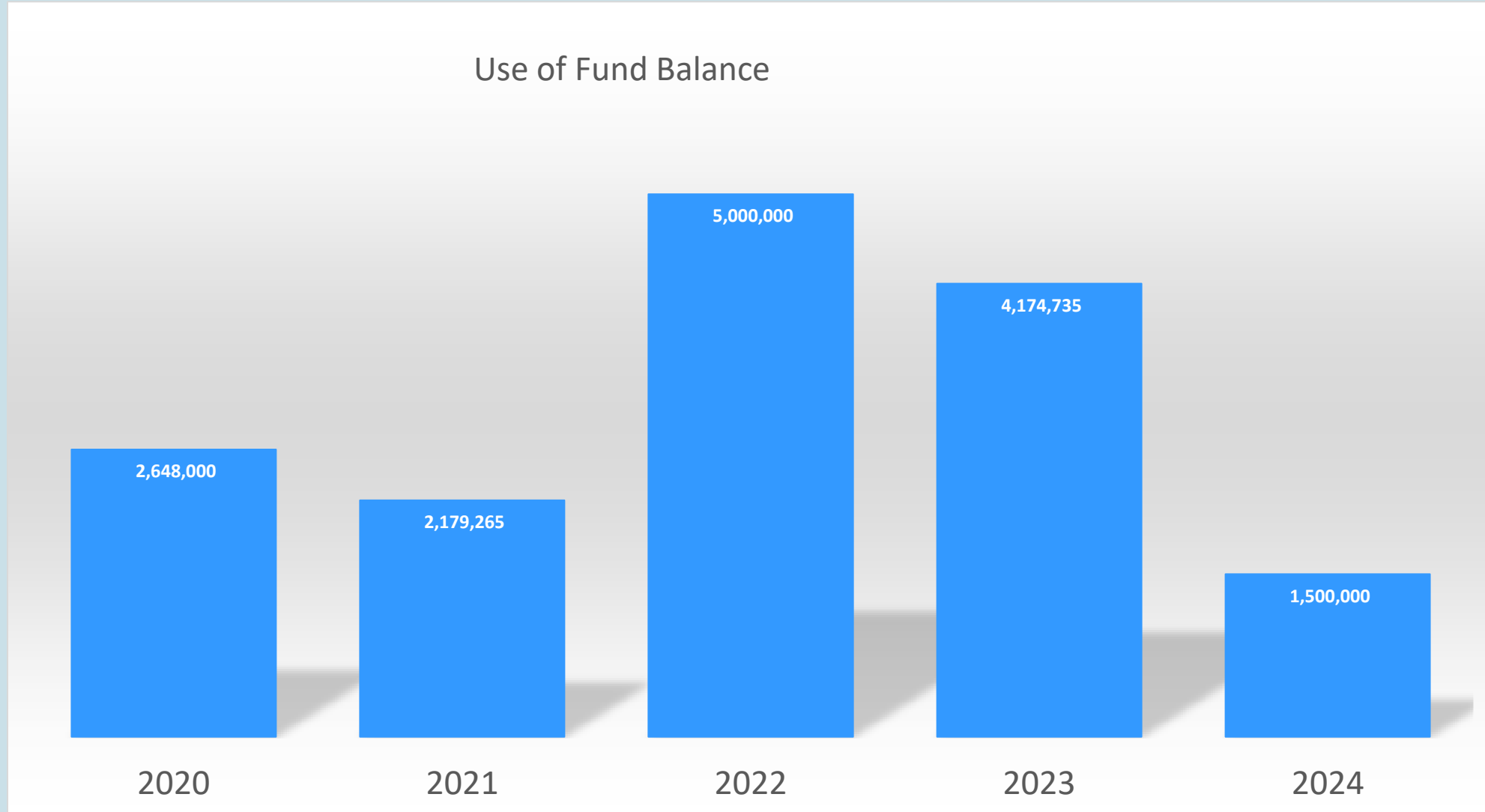


Proposed Use of Fund Balance

- In FY 2023 the Town approved budget used \$4,174,735 of fund balance
- My recommended 2024 operating budget includes use of \$1,500,000 of fund balance



Proposed Use of Fund Balance



Tax Rates

	<u>Municipal Tax</u> <u>Rate</u>	<u>\$ Inc.</u>	<u>% Inc.</u>	<u>\$ Increase</u> <u>for</u> <u>\$500,000</u> <u>home</u>
2017	6.60	-	0.00%	-
2018	6.78	0.18	2.73%	90.00
2019	7.10	0.32	4.72%	160.00
2020	7.16	0.06	0.85%	30.00
2021*	5.23	-1.93	-26.96%	(965.00)
2022	5.08	-0.15	-2.87%	(75.00)
2023	5.46	0.38	7.48%	190.00
* Note: This was a revaluation year				



2024 Town Operating Budget

2024 Budget Summary					
	2023	2024 Town Manager	Increase		%
All Funds	Budget	Recommended	(Decrease)		
General Fund	\$ 48,269,349	\$ 48,374,563	\$ 105,214		0.22%
Capital	1,387,299	1,959,973	572,674		41.28%
Sewer Fund	9,168,358	4,679,493	(4,488,865)		-48.96%
Water Fund	6,161,078	6,187,048	25,970		0.42%
Library	1,670,006	1,673,723	3,717		0.22%
Sub - Total	\$ 66,656,090	\$ 62,874,800	\$ (3,781,290)		-5.67%
Warrant Articles - General	5,781,295	6,040,000	258,705		4.47%
Warrant Articles - Sewer	105,000	5,000	(100,000)		-95.24%
Warrant Articles - Water	5,000	5,000	-		0.00%
Total	\$ 72,547,385	\$ 68,924,800	\$ (3,622,585)		-4.99%



REVIEW OF PROPOSED REVENUES



Town of Salem, NH 2023/2024 Revenue Comparison

		2024	
	2023	Manager	Increase
	Budget	Recom.	(Decrease)
Taxes (not including property taxes)	183,000	156,000	(27,000)
Intergovernmental Revenues	2,806,208	3,052,696	246,488
Licenses and Permits	9,132,950	8,648,500	(484,450)
Charges for Services	4,176,212	3,961,942	(214,270)
Misc. Revenues	36,000	121,000	85,000
Other Financing Sources	6,207,905	1,996,853	(4,211,052)
Total General Fund	22,542,275	17,936,991	(4,605,284)



REVIEW OF SEWER & WATER BUDGETS



Sewer Fund Budget Comparison – 2023/2024

Proposed Sewer Fund 2024 Budget				
Sewer Summary				
	2023	2024	Increase/Decrease	%
Administration	2,553,271	3,025,847	472,576	18.51%
Debt Services	6,348,529	593,646	(5,754,883)	-90.65%
Sewer Capital	226,558	1,060,000	833,442	100.00%
Sewer Warrant Articles	105,000	5,000	(100,000)	100.00%
Total - Sewer Fund	9,233,358	4,684,493	(4,548,865)	-49.27%



Water Fund Budget Comparison – 2023/2024

Proposed Water Fund 2024 Budget				
Water Summary				
	2023	2024	Increase/Decrease	%
Administration	2,002,952	2,057,335	54,383	2.72%
Operations	2,455,339	2,646,846	191,507	7.80%
Building	70,328	166,362	96,034	136.55%
Debt Services	1,152,459	1,056,505	(95,954)	-8.33%
Water Capital	480,000	260,000	(220,000)	-45.83%
Water Warrant Articles	5,000	5,000	-	0.00%
Total - Water Fund	6,166,078	6,192,048	25,970	0.42%



Questions/Comments?

