

TOWN OF BEDFORD 2021 Municipal Budget



Rick Sawyer, Town Manager
October 28, 2020

Town of Bedford – 2021 Municipal Budget

How was this budget built?

- ▶ **Department Heads:**
 - Assumed nothing (start from scratch);
 - July – Built CIP, programs & staffing requests;
 - August – Developed budget needs;
 - September & October – Reviewed with TM & Finance.

- ▶ **Town Manager & Finance Team:**
 - Listen, learn, review, discuss, decide.

Town of Bedford – 2021 Municipal Budget

What Did I Hear?

- ▶ It has been a really hard year;
- ▶ We are a service organization;
- ▶ Facility improvements are critical to our ability to provide expected services;
- ▶ The CIP is essential to our future success, costs are rising, and time for a change in FD equipment;
- ▶ Our wage rates & benefits need improvements as attracting & retaining highly skilled employees is hard;
- ▶ Desire to provide the highest quality services with a reasonable budget is strong;



Town of Bedford – 2020 Tax Dollar Breakdown



Municipal – 21.2%
 \$4.24 (2020)
 Portion of your tax dollar being discussed tonight.

Total School – 73.5%
 \$14.71 (2020)

County – 5.3%
 \$1.07 (2020)

Total Tax Rate: \$20.02

What is included in the Manager's budget?

- ▶ **Total Appropriations = 2.37% increase**
- ▶ **Roads Program – \$6.5M**
 - First payment of the 3rd bond authorized as part of the 2014 \$30M program. (\$1,252,250), debt service for 5 prior bonds (\$~4.2M), \$1.1M local road work
- ▶ **Fire Department -**
 - (4 grant funded firefighters ~\$360k, shift in operations with the addition of a Squad \$300k, sale of our largest tanker ~\$80k in revenue.)
- ▶ **Capital Improvements – Investment in long term items (\$~2.7M)**
 - (Dump trucks, sand shed, equipment, body worn cameras, voting machines)
- ▶ **Field Improvements - \$100k deferred maintenance and irrigation**
- ▶ **Voter Checklist Purge - Once a decade ~\$20k**
- ▶ **COVID-19 – PPE & cleaning supplies ~\$24k**
- ▶ **Use of Fund Balance - \$1.5M to offset tax rate**

What is included in the Manager's budget?

- ▶ **Decreased Revenues –**
 - Rooms & Meals -25% or ~\$300k, Highway Block Grant -11.5% or ~\$60k, State Grant -100% or ~\$177k, Investment Interest -44% or ~\$175k
- ▶ **Health & Retirement: ~\$740k**
 - \$335k health insurance premium increase of 7.5%
 - \$371k for NH Retirement System (PD 33.88%, FD 32.99%, ME 14.06%)
 - \$21.5k for Workers Compensation increase of 9.7%
- ▶ **Personnel:**
 - Year 4 of collective bargaining agreements (including 1% COLA in PD & FD)
 - 4 Grant funded firefighters
 - Full year of IT Support Professional & conversion of 4 firefighters to Captain
 - Merit increase for non-union employees
 - Conversion of a Police Sergeant to Lieutenant, conversion of Building Department Technician to full time
 - Increases in training/Education in Police, Fire, & DPW with general reductions in conferences

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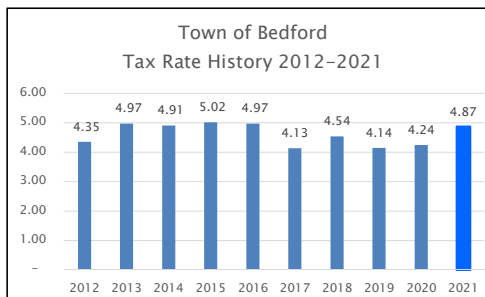
	<u>\$ on tax rate</u>	<u>% on tax rate</u>
Debt Service:	0.22	5.2
Revenue Losses (other appropriations):	<u>0.41</u>	<u>9.7</u>
Estimated Tax Rate Increase:	0.63	14.9
2020 Tax Rate: 4.24		
Total Tax Rate: 4.87		

2021 Projected tax burden on a \$400k home value is **\$252** a year (\$21 a month) more than the 2020 tax burden.

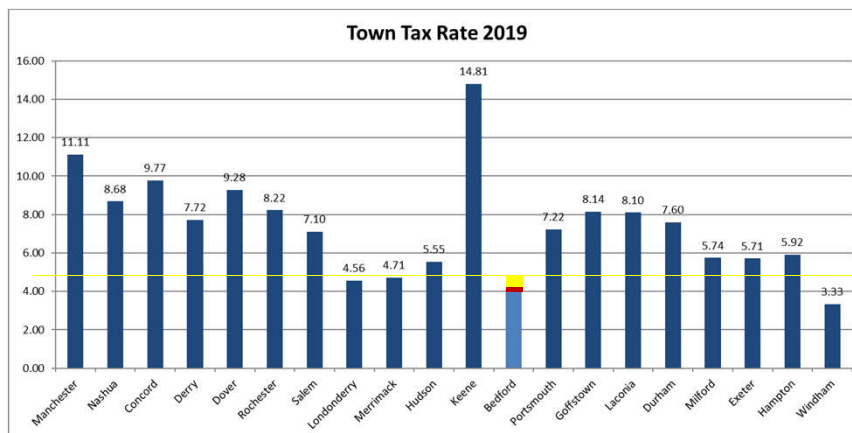
Tax Burden on a \$400K Home

Year	Rate	Increase (Year) (\$)	Total (\$)
2016	4.97	-20	1,988
2017	4.13	-336	1,652
2018	4.54	41	1,816
2019	4.14	-40	1,656
2020	4.24	10	1,696
2021	4.87	63	1,948

Remember 2021 is a revaluation year so the tax rate will change



Tax Rate Comparables



Projecting the 2021 Municipal Tax Rate

	2020 Budget*	2021 PROPOSED TOWN MANAGER BUDGET
OPERATING BUDGET (GENERAL FUND)	31,071,678	32,093,528
Fund Balance Reserve Contribution	(2,300,000)	(1,500,000)
TOTAL NET BUDGET	28,771,678	30,593,528
Overlay	13,406	0
Plus Veterans' Exemptions	499,500	499,500
Estimated Municipal Revenues	(11,924,585)	(11,052,590)
Net Budget/Tax Levy	17,359,999	20,040,438
Net Assessed Valuation	4,092,109,157	4,112,109,157
EST TAX RATE	4.24	4.87

* Adjusted for \$277k in appropriation reductions voted by Council in August as authorized under State emergency order 36 that allows municipalities to reduce appropriations in order to offset lost revenues due to the pandemic.

Town of Bedford – 2021 Municipal Budget

2021 Gross Municipal Appropriations – All Funds

Fund	Appropriations	% of Total
General Fund	\$ 30,798,478	88.0%
Capital Reserve Fund from Tax	1,295,050	3.7%
Sewer	2,262,769	6.5%
Capital Reserve Fund from Sewer	102,000	0.3%
Day Camp	83,025	0.2%
BCTV	456,073	1.3%
Total Proprietary Funds	2,903,867	8.3%
Total All Funds	\$ 34,997,395	100.0%

Town Meeting Vote
March 10, 2021

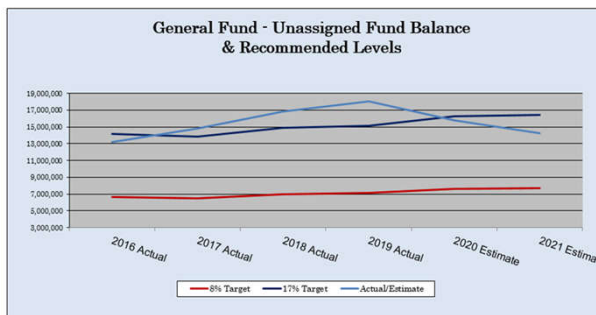
What is not included in the Manager's budget?

- ▶ **Comprehensive Facility Improvements** – The Council and Manager have been working through different options but a specific construction and financial plan has not yet been finalized. Recommending a Warrant Article.
- ▶ **2020 Year End Transfer** – \$350k to purchase the Ladder Truck as soon as possible, one year delivery timeline.
- ▶ **Transfer Station** – CIP deposit for 3 phase power, solar, & a shift to compactors \$400k
- ▶ **Fire Station** - Epoxy floor \$50k
- ▶ **Police Department** – SCBA \$37k, PT Investigative Assistant ~\$14k
- ▶ **Field Usage Fees** – Timing of field construction was unknown & policy not in place.

Town of Bedford – 2020 Municipal Budget

General Fund Unreserved Fund Balance

(GASB recommends 8-17%)



GENERAL FUND - UNASSIGNED FUND BALANCE

Year	Estimated Gross Appropriations *	Minimum Target Balance - 8%	Maximum Target Balance - 17%	Unassigned Fund Balance	Actual %
2016 Actual	83,058,118	6,644,649	14,119,880	13,180,734	15.87%
2017 Actual	81,480,937	6,518,475	13,851,759	14,805,990	18.17%
2018 Actual	87,389,967	6,991,197	14,856,294	16,808,531	19.23%
2019 Actual	88,768,604	7,101,488	15,090,663	18,065,364	20.35%
2020 Estimate *	95,703,719	7,656,298	16,269,632	15,765,364	16.47%
2021 Estimate **	96,525,568	7,722,045	16,409,347	14,265,364	14.78%

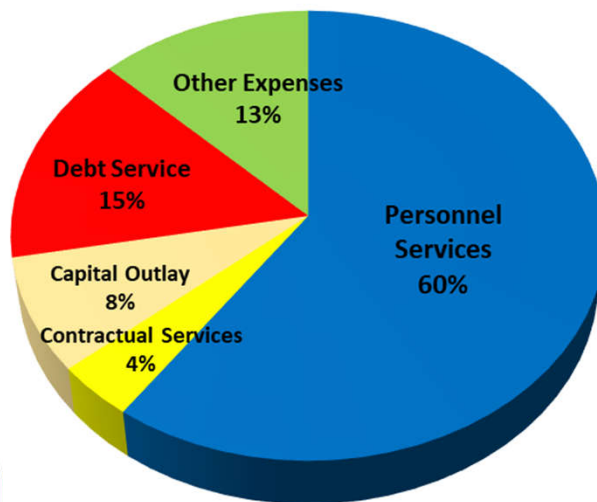
*2020 estimate includes the use of \$2,300,000 during 2020 tax rate setting process as budgeted.

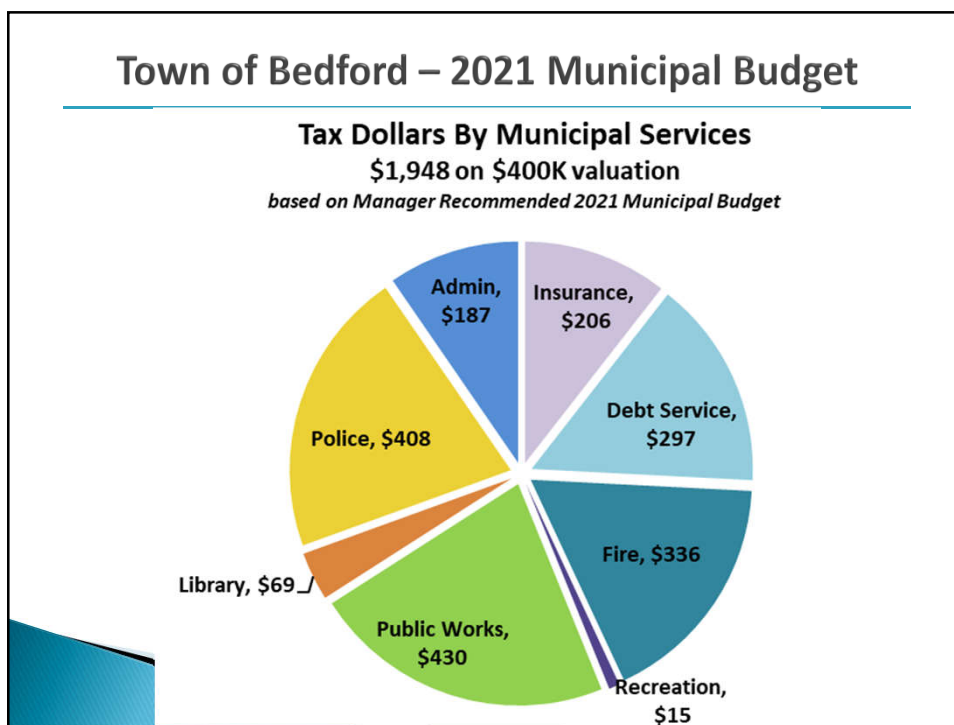
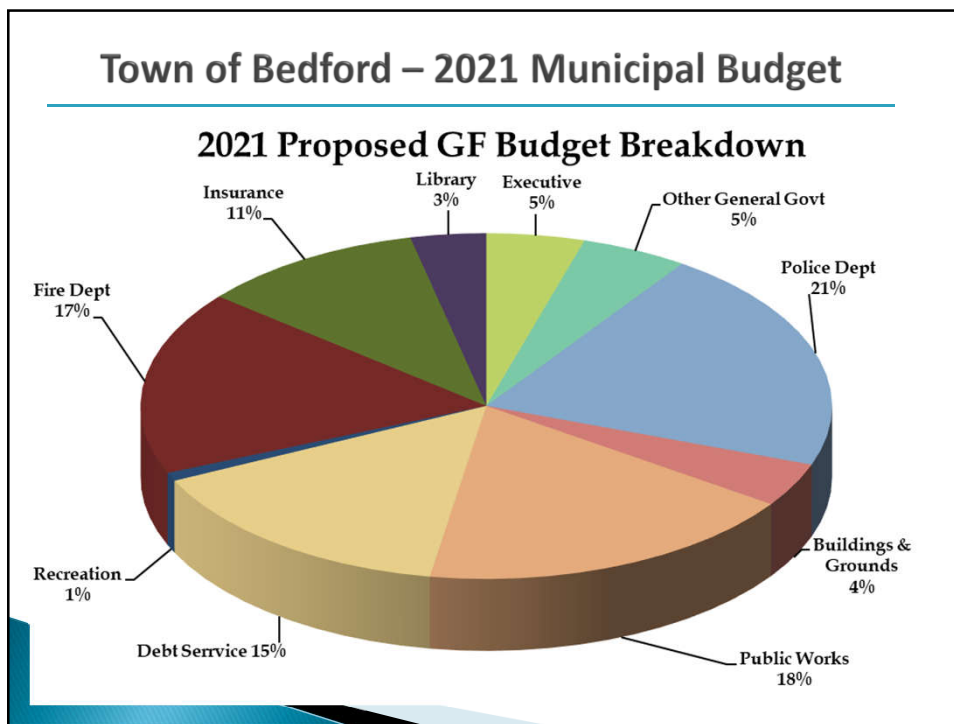
**2021 estimate includes the impacts of proposed 2021 municipal budget, including the use of \$1,500,000 in fund balance.

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2021 Expenditures by Budget Category

All General Fund Departments





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Tax Effect of Budget Increases/(Decreases):					
\$ Change to Budget	\$ Tax Impact	Additional \$ Cost to Taxpayer with:			
		\$300k	\$400k	\$500k	
25,000	0.006	1.82	2.43	3.04	
50,000	0.012	3.65	4.86	6.08	
75,000	0.018	5.47	7.30	9.12	
100,000	0.024	7.30	9.73	12.16	
250,000	0.061	18.24	24.32	30.40	
500,000	0.122	36.48	48.64	60.80	
750,000	0.182	54.72	72.96	91.19	
1,000,000	0.243	72.96	97.27	121.59	

Budget Schedule

www.bedfordnh.org

- November 7: 8:00 AM – Budget Workshop
- November 18: 7:00 PM Regular Council Meeting
- December 16: 7:00 PM Regular Council Meeting
- January 13 & 27: Public Hearings (Town Council Meetings)
- March 9: Town Elections/Bond Vote/School Budget
- March 10: Budgetary Town Meeting