

TO: Honorable Mayor Eric Spear and City Council Members
 FROM: John P. Bohenko, City Manager
 DATE: May 7, 2013
 Re: Adopted Annual Budget for Fiscal Year 2014

CC: All Department Heads and Reference Books

The City Council adopted resolution #5-2013, General Fund Expenditures in the amount of \$92,838,137 on May 6, 2013 as shown below.

**CITY COUNCIL'S ADOPTED
 APPROPRIATIONS MAY 6, 2013**

MUNICIPAL	\$16,536,628
POLICE	\$9,174,659
FIRE	\$7,434,078
SCHOOL	\$39,820,958
TRANSFER TO INDOOR POOL	\$150,000
NON-OPERATING	\$19,721,814
TOTAL	\$92,838,137

The FY 2014 Proposed Budget was submitted to the City Council on March 28, 2013. As a result of the budget worksession held on April 29, 2013, the City Council's adopted budget includes a reduction of (\$385,000) as follows:

	FY13	FY14 City Manager's Proposed Budget	FY14 City Council Adopted Budget	Change From FY14 Proposed Budget	\$Change From FY13 Adopted Budget	%Change From FY13 Adopted Budget
OPERATING EXPENDITURES:						
Municipal	15,905,044	16,536,628	16,536,628	-	631,584	3.97%
Police	8,838,885	9,174,659	9,174,659	-	335,774	3.80%
Fire	7,155,250	7,434,078	7,434,078	-	278,828	3.90%
School	38,302,260	39,820,958	39,820,958	-	1,518,698	3.97%
Collective Bargaining Cont.	100,000	100,000	0	(100,000)	(100,000)	-100.00%
Transfer to Indoor Pool	150,000	150,000	150,000	-	0	0.00%
Total Operating	\$ 70,451,439	\$ 73,216,323	73,116,323	(100,000)	2,664,884	3.78%
NON-OPERATING EXPENDITURES:						
Debt Related Expenses/TANS	350,000	350,000	350,000	-	0	0.00%
Debt Service Payments	11,325,131	10,483,686	10,483,686	-	(841,445)	-7.43%
Overlay	1,150,000	1,050,000	950,000	(100,000)	(200,000)	-17.39%
Property & Liability Ins	414,000	414,000	414,000	-	0	0.00%
County	4,297,188	4,540,274	4,540,274	-	243,086	5.66%
Contingency	250,000	250,000	250,000	-	0	0.00%
Rolling Stock	773,993	766,892	766,892	-	(7,101)	0.00%
IT Equipment Replacement	232,000	362,250	312,250	(50,000)	80,250	34.59%
Capital Outlay	1,022,500	1,500,000	1,365,000	(135,000)	342,500	33.50%
Other General Non-Operating	290,017	289,712	289,712	-	(305)	-0.11%
Total Non-Operating	20,104,829	20,006,814	19,721,814	(285,000)	(383,015)	-1.91%
Total Budget	\$ 90,556,268	\$ 93,223,137	92,838,137	(385,000)	2,281,869	2.52%

The total reduction of (\$385,000) is as follows:

Non Operating Budget:

Collective Bargaining Contingency	(\$100,000)
Overlay	(\$100,000)
Information Technology	(\$50,000)
Capital Outlay (see below)	<u>(\$135,000)</u>
Total Appropriation Adjustments	(\$385,000)

**Capital Improvements
Fiscal Year 2014
Taken from Capital Improvement Plan 2014-2019**

Budget Book PAGE	City Council Adopted 2/19/2013	City Council Adjusted	FY 14
II-21 RESTORATION - 1870 AMOSKEAG STEAM ENGINE #3	\$25,000		\$25,000
II-22 SCBA REPLACEMENT PROGRAM	\$100,000		\$100,000
II-23 RADIO SYSTEM IMPROVEMENTS	\$35,000		\$35,000
II-25 POLICE SPACE NEEDS STUDY	\$25,000		\$25,000
II-29 LAND ACQUISITION	\$25,000		\$25,000
II-30 IMPLEMENTATION OF PEIRCE ISLAND MASTER PLAN PROJECT	\$25,000		\$25,000
II-31 MIDDLE ST BICYCLE LANES	\$25,000		\$25,000
II-32 HAMPTON BRANCH RAIL TRAIL	\$72,000	(\$72,000)	\$0
II-35 PARK AND PLAYGROUND IMPROVEMENTS	\$75,000		\$75,000
II-38 CITY HALL ENTRY WAY ACCESSIBILITY IMPROVEMENTS	\$100,000		\$100,000
II-39 MASTER PLAN PLANNING PROCESS	\$75,000		\$75,000
II-40 HISTORIC CEMETERY IMPROVEMENTS	\$10,000		\$10,000
II-41 BANFIELD ROAD DRAINAGE IMPROVEMENTS	\$50,000		\$50,000
II-42 ELWYN PARK DRAINAGE IMPROVEMENTS	\$75,000		\$75,000
II-43 LESLIE DRIVE DRAINAGE IMPROVEMENTS	\$100,000		\$100,000
II-61 DOWNTOWN SIGNAGE AND PEDESTRIAN WAYFINDING SYSTEM	\$100,000		\$100,000
II-62 SPINNEY ROAD NEW SIDEWALK CONSTRUCTION	\$100,000		\$100,000
II-65 CITYWIDE TRAFFIC SIGNAL UPGRADE PROGRAM	\$100,000		\$100,000
II-66 CITYWIDE INTERSECTION IMPROVEMENTS	\$100,000		\$100,000
II-67 LONGMEADOW ROAD EXTENSION	\$100,000		\$100,000
II-70 CITYWIDE TREE REPLACEMENT PROGRAM	\$20,000		\$20,000
II-13 CAPITAL CONTINGENCY	\$163,000	(\$63,000)	\$100,000
TOTAL	\$1,500,000	(\$135,000)	\$1,365,000

As a result of the amendments, the adopted FY14 budget will result in an estimated tax rate of \$17.91 per \$1,000 of valuation. This rate is an increase of 36¢ or 2.05% over FY13.

FY14 PROPOSED TAX RATE AS OF MAY 6, 2013				
The Department of Revenue sets the final tax rate in mid October				
	FY11	FY12	FY13	Estimated Rate FY14
Total Tax Rate	17.41	17.27	17.55	17.91
Municipal/Local School/State Education/County				
Increase/Decrease from Prior Year		-0.14	0.28	0.36
Percentage Change		-0.80%	1.61%	2.05%

GENERAL FUND BUDGET SUMMARY -FY 2014 - ADOPTED MAY 6, 2013

	FY2012 BUDGET	FY13 Budget	FY14 City Manager Recommended	% Change	\$\$ Change	FY14 City Council Adopted Budget	% Change	\$\$ Change
OPERATING BUDGET								
General Government	15,463,019	15,905,044	16,536,628	3.97%	631,584	16,536,628	3.97%	631,584
Police	8,589,781	8,838,885	9,174,659	3.80%	335,774	9,174,659	3.80%	335,774
Fire	6,973,895	7,155,250	7,434,078	3.90%	278,828	7,434,078	3.90%	278,828
School	37,206,584	38,302,260	39,820,958	3.97%	1,518,698	39,820,958	3.97%	1,518,698
Collective Bargaining	324,413	100,000	100,000	0.00%	0	0	-100.00%	(100,000)
Transfer to Indoor Pool	150,000	150,000	150,000	0.00%	0	150,000	0.00%	0
Total Operating Budget	68,707,692	70,451,439	73,216,323	3.92%	2,764,884	73,116,323	3.78%	2,664,884
NON-OPERATING EXPENSE								
Debt Related Costs/TANS	350,000	350,000	350,000	0.00%	0	350,000	0.00%	0
Debt Service Payments	10,232,755	11,325,131	10,483,686	-7.43%	(841,445)	10,483,686	-7.43%	(841,445)
Overlay	1,150,000	1,150,000	1,050,000	-8.70%	(100,000)	950,000	-17.39%	(200,000)
Property & Liability Ins	414,000	414,000	414,000	0.00%	0	414,000	0.00%	0
County	4,199,167	4,297,188	4,540,274	5.66%	243,086	4,540,274	5.66%	243,086
Contingency	250,000	250,000	250,000	0.00%	0	250,000	0.00%	0
Rolling Stock	0	773,993	766,892	0.00%	(7,101)	766,892	0.00%	(7,101)
Use of Fund Balance : Unassigned	600,000	0	0	0.00%	0	0	0.00%	0
Use of Bond Premium	1,977,974	0	0	0.00%	0	0	0.00%	0
IT Equipment Replacement	145,350	232,000	362,250	56.14%	130,250	312,250	34.59%	80,250
Capital Outlay	1,018,150	1,022,500	1,500,000	46.70%	477,500	1,365,000	33.50%	342,500
Other General Non-Operating	289,730	290,017	289,712	-0.11%	(305)	289,712	-0.11%	(305)
Total Non-Operating Budget	20,627,126	20,104,829	20,006,814	-0.49%	(98,015)	19,721,814	-1.91%	(383,015)
Total Gross Budget	89,334,818	90,556,268	93,223,137	2.94%	2,666,869	92,838,137	2.52%	2,281,869
REVENUES								
Municipal	10,364,138	10,174,649	10,278,418	1.02%	103,769	10,278,418	1.02%	103,769
School	5,317,500	5,432,500	5,523,700	1.68%	91,200	5,523,700	1.68%	91,200
State Revenues	2,714,053	2,681,242	3,128,280	16.67%	447,038	3,128,280	16.67%	447,038
<i>Use of Fund Balance: Unassigned</i>						0		0
Fire Department Supplemental Approp	150,000	0	0		0	0	#DIV/0!	0
Indoor Pool	150,000	0	0		0	0	#DIV/0!	0
Municipal Complex Renovations	600,000	0	0		0	0	#DIV/0!	0
<i>Use of Fund Balance: Committed</i>						0		0
Property Appraisal	73,500	73,500	73,500	0.00%	0	73,500	0.00%	0
Debt/ Bond Premiums	1,977,974	0	0		0	0		0
Debt/ Bond Proceeds	0	199,242	100,000		(99,242)	100,000		(99,242)
Debt Service Reserve	900,000	2,500,000	1,500,000	-40.00%	(1,000,000)	1,500,000	-40.00%	(1,000,000)
Total	22,247,165	21,061,133	20,603,898	-2.17%	(457,235)	20,603,898	-2.17%	(457,235)
BUDGETED PROPERTY TAX LEVY	67,087,653	69,495,135	72,619,239	4.50%	3,124,104	72,234,239	3.94%	2,739,104
Total Property Tax Commitment	67,614,472	69,980,010	72,619,239	3.77%	2,639,229	72,234,239	3.22%	2,254,229
War Service Credits	559,500	562,000	600,000	6.76%	38,000	600,000	6.76%	38,000
Adequate Education Formula	(9,344,223)	(9,361,188)	(9,744,008)	4.09%	(382,820)	(9,744,008)	4.09%	(382,820)
State Education Tax	9,344,223	9,361,188	9,744,008	4.09%	382,820	9,744,008	4.09%	382,820
Total Property Taxes Assessed	68,173,972	70,542,010	73,219,239	3.80%	2,677,229	72,834,239	3.25%	2,292,229
ASSESSED VALUATION WITH UTILITIES	3,971,444,698	4,043,767,047	4,092,267,047	1.20%	48,500,000	4,092,267,047	1.20%	48,500,000
ASSESSED VALUATION NO UTILITIES	3,803,608,220	3,870,081,052	3,918,581,052	1.25%	48,500,000	3,918,581,052	1.25%	48,500,000
MUNICIPAL TAX RATE	13.76	14.04	14.40	2.58%	0.36	14.31	1.91%	0.27
COUNTY TAX RATE	1.05	1.09	1.11	1.79%	0.02	1.11	1.79%	0.02
STATE EDUCATION TAX RATE	2.46	2.42	2.49	2.80%	0.07	2.49	2.80%	0.07
COMBINED TAX RATE	17.27	17.55	18.00	2.56%	0.45	17.91	2.05%	0.36