

FY22 Proposed Operating & Capital Improvement Budgets



FY2021 & Covid

Fosters.com April 24, 2020 headline:

“Rochester budget plan reflects expected big drop in revenue”

- Cox delivered a budget 0.1% over current FY20 budget and warned a “cash crisis is a real possibility.”



FY2021 & Covid

- Some anticipated impacts upon expenditures
- Primary concern was non-property tax revenues
- Shared concern by municipal gov'ts around NH
- As a result - FY2021 budget reduced many CIP projects and most I&O appropriations were “excluded”



FY2021 & Covid

FY2021 Year to Date (75%)

Expenditures are **NORMAL**

- Total General Fund expenditures: 76.5%

Revenues **EXCEED** budget

- Motor Vehicle Registrations 107%
- Building Permits 282%
- WM Host Fees 142%



FY2022 Budget Calendar

- April 27th- O&M Presentations
- May 4th- O&M Presentations
- May 11th- O&M, CIP Presentations
- May 18th- CIP Presentations
- May 18th - **Budget Public Hearings**
- May 25th- Final Council Adjustments
- June 1st- O&M & CIP Possible Adoption



FY2022 Budget Documents

- **Proposed Operating & Maintenance (O&M)** Identifies all City Departments O&M budgets
- **Proposed Issues & Options (I&O)**
Identifies all Department requests for new positions, upgrades and various projects.
I&O book has **Included** & **Excluded** sections.
- **Capital Improvements Projects (CIP)**
Identifies all projects incorporated into the 6 Year CIP Plan.



Limitation of Budgetary Increase “Tax Cap”

Fiscal Year 2021 Tax Effort
+ Net New Construction (NNC)
+ Consumer Price Index (CPI)
= FY 2022 Allowed Tax Effort



Limitation of Budgetary Increase “Tax Cap”

\$68,134,631 (FY21 tax effort)
+ \$1,254,918 (NNC)
+ \$838,056 (CPI)
= \$ 70,227,605 FY22 Tax Effort

An increase of \$2,092,974 (3.1%)



Tax Cap Adjustments

Increase Appropriation Allocations:

City	\$ 696,736
County	\$ 207,023
Schools:	<u>\$ 1,189,214</u>
Total: \$ 2,092,974(3.1%)	

- **Proposed Budget City & County: \$ 0 at cap**
- **Proposed School Budget: \$ 33,615 below cap**



FY22 General Fund- Appropriations

	FY21	FY22		
	Revised	Proposed	\$ Change	% Change
City Operations	\$28,195,671	\$30,014,583	\$1,818,912	6.45%
County Taxes	\$6,941,353	\$6,921,341	(\$20,012)	-0.29%
Debt Service	\$4,471,220	\$4,146,542	(\$324,678)	-7.26%
Capital & Other Transfers	<u>\$3,517,674</u>	<u>\$3,105,000</u>	<u>(\$412,674)</u>	<u>-11.73%</u>
City	\$43,125,918	\$44,187,466	\$1,061,548	2.46%
School	\$72,195,431	\$68,610,769	(\$3,584,662)	-4.97%
Sub Total City & School	\$115,321,349	\$112,798,235	(\$2,523,114)	-2.19%
Veterans Credits	\$675,125	\$706,525	\$31,400	4.65%
Tax Overlay	<u>\$350,000</u>	<u>\$350,000</u>	<u>\$0</u>	<u>\$0</u>
All General Fund Totals	\$116,346,474	\$113,854,760	(\$2,491,714)	-2.14%



City General Fund Revenues

Summary of Highlights

- Interest Income -\$50,000
- Motor Vehicle Registrations +\$800,000
- WM Host Fees +\$250,000
- Building Permits +\$100,000



Use of GF Unassigned Fund Balance*

- FY2021 Use of Fund Balance \$1 MM
- FY2022 Use of Fund Balance \$2.786 MM

* Note – Use of GF Fund Unassigned Fund Balance as part of Annual Budget Process to Offset Cash CIP Projects Appropriations. Excludes Use of Fund Balance outside the Annual Budget Process for One-Time Appropriations.

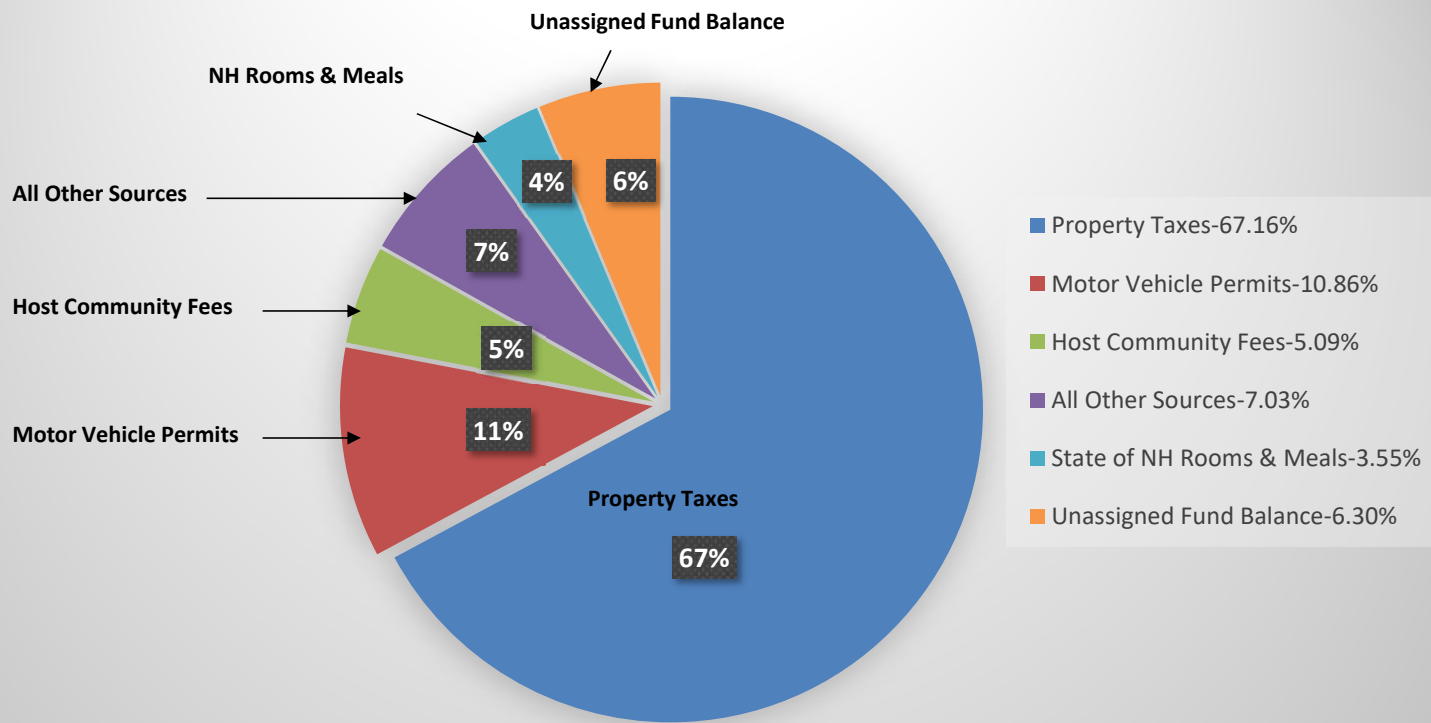


Other Noteworthy Items

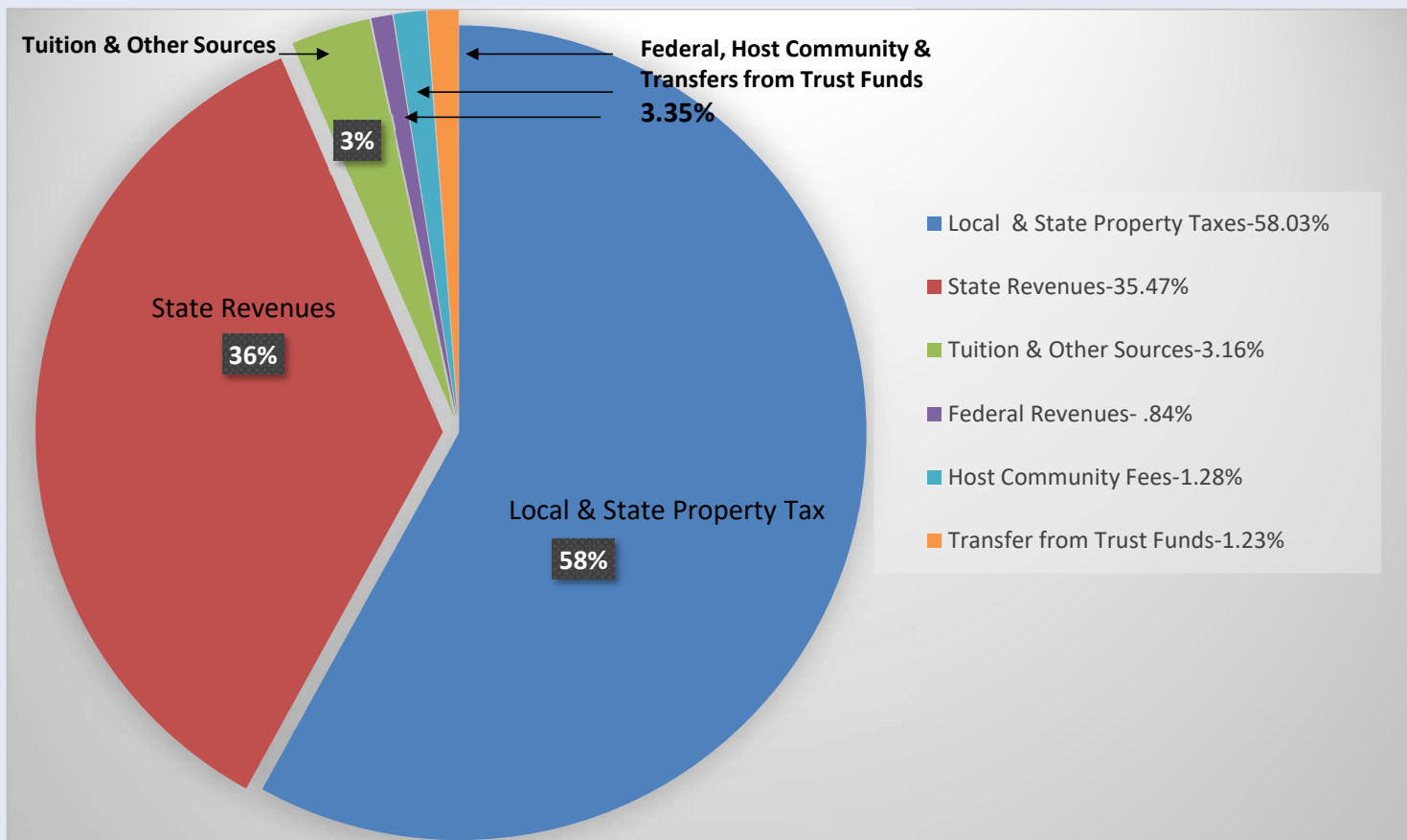
- School Budget includes:
 - SB-CRF To O&M Revenue \$844k
 - Host Fees as O&M Revenue \$878K
- City Budget includes:
 - NH Retirement System increase \$600k
 - Ambulance appropriation \$692k
 - Assumes level funding of state budget allocations such as Rooms & Meals



City General Fund Revenue Sources



School Revenue Sources



FY2022 Issues & Options

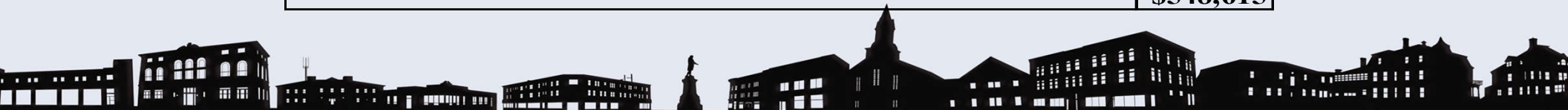
- Departments presented a total of (19) Issues & Options totaling **\$872,100**
- (15) I&O's are Included-Total **\$548,615**
- (4) I&O's are Excluded-Total **\$323,485**



FY2022 Issues & Options “Included”

- I&O’s Included are as follows:

<u>Issues & Option</u>	<u>Amount</u>
Full Time Patrol Officers (2) 1/2 year	\$117,649
Environmental Engineer-Split 1/3 General Fund/Water/Sewer (1)	\$103,827
Full Time Public Blds & Grnds Laborer (1)	\$56,200
Full Time Firefighter (1) 1/2 year	\$50,396
Part Time Human Resources Assistance (1)	\$50,528
Upgrade Recreation Services Supervisor Position (1)	\$25,329
Part Time Police Administrative Technician-Records Clerk (1)	\$34,163
Upgrade PT Emerging Technologies-Eliminate PT Library Assistant	(\$4,505)
Non-Union Classification & Compensation Plan	\$20,028
Microsoft 360 Licensing	\$65,000
Emergency Medical Certification and Licensure Education	\$10,000
Dark Fiber New Public Works Facility	\$8,000
Fire-Clothing Allowance Class C for New Hires	\$7,000
Emergency Medical Supplies and PPE	\$5,000
	\$548,615



FY22 Capital Improvements Budget

	FY21	FY22	
	Revised	Proposed	\$ Change
City	\$10,622,000	\$7,587,000	(\$3,035,000)
School	\$1,886,306	\$1,423,000	(\$463,306)
Arena	\$0	\$80,000	\$80,000
Community Center	\$0	\$305,000	\$305,000
Water	\$1,535,000	\$1,235,000	(\$300,000)
Sewer	\$1,045,000	\$2,881,000	\$1,836,000
Tax Incremental Financing Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total CIP all Funds	\$15,088,306	\$13,511,000	(\$1,577,306)



FY22 Enterprise & Special Revenue Appropriations

	FY21	FY22		
Enterprise & Special Revenues	Revised	Proposed	\$ Change	% Change
City Grants, Economic Develop Fund	\$90,000	\$70,000	(\$20,000)	-22.22%
Tax Incremental Financing Funds	\$1,575,358	\$1,197,912	(\$377,446)	-23.96%
School Grants & Special Rev Funds	\$5,110,000	\$5,370,000	\$260,000	5.09%
Water Fund	\$6,835,052	\$6,889,755	\$54,703	0.80%
Sewer Fund	\$8,466,303	\$8,231,998	(\$234,305)	-2.77%
Arena Special Revenue	\$416,031	\$433,212	\$17,181	4.13%
Community Center	<u>\$889,241</u>	<u>\$920,523</u>	<u>\$31,282</u>	<u>3.52%</u>
Total Enterprise & Special Revenues	\$23,381,985	\$23,113,400	(\$268,585)	-1.15%



Estimated Tax Rate 2021

	Tax Year <u>2020</u>	Tax Year <u>2021 Est</u>	<u>Change</u>
City	\$ 8.18	\$ 8.45	.27
County	\$ 2.43	\$ 2.49	.06
Local School	\$ 12.06	\$ 12.56	.50
<u>State School</u>	<u>\$ 1.94</u>	<u>\$ 1.85</u>	<u>-.09</u>
Total	\$ 24.61	\$ 25.35	\$.74

DRA Dec-20 Assessed Value \$2.778 billion



Tax Rate Estimated Impact

Average Residential Property

- Median Assessed Value of \$210,000
- Estimated City increase of \$56.70
- Estimated County increase of \$12.60
- Estimated School increase of \$86.10
- Estimated TOTAL increase of \$155.40



In Closing

Through the last several budget cycles, the City of Rochester has maintained its sound fiscal health without a loss of services and without significant increases in property taxes. The proposed fiscal year 2022 budget is tailored to continue along these trends.

I look forward to working with the you as well as city and school staff during your work to adopt the fiscal year 2022 budget.

Thank you for your time and attention.

