

## **2023 Exeter Preliminary Town Budget**

**September 26<sup>th</sup>, 2022**

To the Exeter Select Board,

Attached you will find the Town of Exeter preliminary budget request for Fiscal Year 2023. The fiscal year addressed in this budget begins on January 1, 2023 and ends December 31, 2023. I would like to acknowledge the efforts of all Town departments, and in particular, the Finance Department, for their assistance in preparing this preliminary budget. This budget represents the beginning of the FY23 budget process that will conclude approximately 5 ½ months from now, on Tuesday, March 14<sup>th</sup>, 2023.

### **Overview**

The FY23 Operating Budget Request covers three major funds (General, Water, Sewer) plus warrant articles and any proposed bond issues. Items that propose funding by warrant articles and bonding are described in the Town's Capital Improvement Program FY23-28, as adopted by the Planning Board.

### **TOWN GOVERNMENT BUDGET PROCESS, VALUES AND TAX RATES**

Exeter functions under the SB2 form of government, which allows for both an operating and a default budget. The budget is prepared by the Town Manager in September, and adjustments continue throughout the fall with the Budget Recommendations Committee. The budget is reviewed and finalized for the annual budget hearing by the Select Board. A public hearing on the proposed spending plan for the FY23 year is held the third Tuesday in January per state law. The Town deliberative session takes place the first Saturday in February. The final budget is voted on the second Tuesday in March as part of the Town election. The Town Warrant contains the Town budgets for the ensuing fiscal year.

The formula for the default budget is set out in RSA 40:13. If the operating budget does not pass at the Town and school elections, a proposed default budget goes into effect and becomes the operating budget for the fiscal year. The combination of the operating budget and approved warrant articles, less anticipated revenues, drives the ultimate tax levy required for the year.

At the time of budget adoption, the Town's fiscal year is already two and a half months old as the new fiscal year begins on January 1<sup>st</sup>. Prior to March voting, the Town operates on a "base budget" for the first 2 ½ months of the fiscal year until the voters approve the new budget.

The Water and Sewer Fund budgets are approved separately from the Town budget in their own articles, and like the general fund operating budget, have their own default budgets.

The Town budget represents the allocation of resources amongst all Town departments and Town wide expenses for the ensuing fiscal year.

The Town’s capital improvement program (CIP) includes all non-recurring capital requests in excess of \$25,000. These items can be funded through the budget, warrant articles, or bond articles, depending on the request, and the recommendation of the Select Board and Town Manager. Any bond article proposal requires 60% voter approval and requires a public hearing under RSA 33-8-a. The bond hearing is advertised in December of each year and is held the third Tuesday in January under RSA 40:13, concurrent with the hearing on the operating budget.

**Overview – Five Year Tax Rate Trend**

The five-year tax rate trend reflects a consistent approach to budgeting. As noted below, the Town’s portion of the overall tax rate as a percentage, has actually decreased in the last several years. This is primarily due to planning and budgeting strategies that have allowed for funding of operations and capital improvements, while managing the general fund balance and general inflationary and market pressures on fixed costs, contracts, and benefits. Challenges in this area with the recent economy include higher than normal inflation, and a labor market shortage.

**Property Tax Rate – Town Share – Last 5 years**

Year	Municipal Tax Rate	Overall Property Tax Rate per 1,000 value	Town as % of Total Rate
2022	TBD (November)	TBD (November)	TBD (November)
2021	5.79/1,000	24.01/1,000	23.29%
2020	5.91/1,000	24.49/1,000	24.13%
2019	5.71/1,000	23.27/1,000	24.54%
2018	7.25/1,000	27.50/1,000	26.36%
2017	7.08/1,000	26.77/1,000	26.45%
2016	7.09/1,000	26.24/1,000	27.02%

The 2022 tax rate will be set in November. The new tax rate will reflect the most recent valuation adjustments submitted to the NHDRA.

Town spending proportionally represents approximately 23.3% of the average property tax bill. This figure does not include the cost of overlay (reserve for property tax abatements) or the

veteran’s credit program, which adds another 30 cents per 1,000 of assessed value to the Town’s share of the tax rate. The remaining 76% of the tax bill is dedicated to local schools, the state education tax, and the county tax. The cost of the veteran’s credits program (\$500 per eligible property) and overlay for abatements is added to the Town side of the operating tax levy to generate the total Town share of tax rate. This credit is shown on the tax bills of the recipients. The New Hampshire Department of Revenue Administration sets the Town’s new tax rate in late October /early November each year.

**Property Value Trends**

**Net Taxable Value – Last 5 years – Town of Exeter**

Year	Net Taxable Value	% Increase over Prior Year	\$ Value increase over prior year
2022	TBD	TBD	TBD
2021	2,218,420,894	1.01%	\$22,213,212
2020	2,196,207,682	.98%	\$21,217,258
2019	2,174,990,424	24.25%	\$424,550,023
2018	1,750,440,401	1.27%	\$21,894,984
2017	1,728,545,417	1.92%	\$32,510,135
2016	1,696,035,282	2.05%	\$33,998,960

Exeter’s tax base consists of over 6,200 residential and commercial properties. In 2019, the Town conducted a revaluation resulting in a dramatic increase in property values in all categories. The Town has 376 million of value in non taxable value in land and buildings (federal government, non profits, conservation land), and issues another 40 million annually in various property tax value exemptions (disabled, elderly, blind). Exeter’s three largest taxpayers are at least partially not for profit or educational in nature, and therefore are not considered 100% taxable. In addition, since Exeter has such a range of housing (the largest portion of the overall tax base), there can be large differences in the annual property tax burden for homeowners. These differences impact the general affordability and desirability of Exeter as well as the share of the property tax burden according to property type. The property mix and demand for good schools, public safety services, recreation, infrastructure and facilities also influence the overall property tax rate of Exeter. Below is a table comparing various tax rates in NH communities.

**Net Taxable Value and Tax Rates – 2021 - Selected Communities**

City/Town	Population 2020 Estimate	2021 Net Taxable Value w/utills	2021 Tax Rate	Municipal Share
Exeter	16,049	2,218,420,894	\$24.01/1,000	\$5.79/1,000
Durham	15,490	1,252,334,006	\$27.91/1,000	\$7.86/1,000
Newmarket	9,430	987,870,471	\$26.36/1,000	\$5.84/1,000
Hampton	16,214	3,851,811,900	\$15.84/1,000	\$5.91/1,000
Bedford	23,322	4,764,959,906	\$17.14/1,000	\$3.76/1,000
Portsmouth	21,956	6,398,641,017	\$15.03/1,000	\$7.02/1,000
Londonderry	25,826	5,092,317,821	\$18.38/1,000	\$4.16/1,000

**Sources: 2020 Census Data (Office of Strategic Initiatives, July 2020), NHDRA Tax Rates, 2021**

In conclusion, it can be stated that Exeter has similar service needs to many of the communities listed in the above table, but less capacity in the overall taxable value of the Town to support these services. On the municipal side of the ledger, our tax rate remains in line with other communities, taking into account the varying value bases for each community.

## GENERAL FUND BUDGET

Town General Fund budgets have averaged a 2.45% annual increase over the past 5 years. The FY23 General Fund preliminary budget is a 3.65% increase over the prior year adjusted budget.

### Town General Fund Budgets – Last 5 years

Year	Town Budget	% Increase over Prior Year	\$ Increase over Prior Year
2023	\$21,404,372	3.65%	\$753,649
2022	\$20,650,723	2.49%	\$495,920
2021	\$19,891,082	1.46%	\$285,545
2020	\$19,605,537	2.83%	\$538,680
2019	\$19,066,857	2.25%	\$420,213

The Town General Fund budget provides core services to the community such as General Government, Finance, Tax and Assessing, Planning & Building, Economic Development, Public Safety (Police, Fire/EMS, Communications, Health), Public Works (Administration/Engineering, Highway, Solid Waste, Storm water, Snow Removal, Street Lights), DPW Maintenance, Welfare/Human Services, Parks/Recreation, Library, Debt Service/Capital, and Benefits & Taxes.

Exeter has an active and engaged population that interacts with Town government, facilities, and programs in many different ways. In addition, many volunteer boards support the Town government structure and are responsible for many key decisions of the Town in areas of general government, land use, sustainability, water supply, sewerage treatment and disposal, economic development, and capital improvements. The Town does not have a charter. The Town website ([exeternh.gov](http://exeternh.gov)) shows the large number of boards, committees, and commissions that make up a part of Town government, whether acting in a formal statutory role, or in an advisory capacity to the Select Board. Staff time and resources are dedicated in many instances to supporting the Town committee structure, in areas of land use, budget, general governance, and public works.

The total FY23 General Fund preliminary budget is \$21,404,372, an increase of 3.65%, or \$753,649, over the FY22 approved adjusted budget of \$20,650,723. This request is independent of CIP warrant articles which total an additional \$672,871, and are listed on Page 19-20 of this document. Of those warrant articles, \$377,871 are proposed to be funded from the General Fund unassigned fund balance. There is also one lease/purchase proposed for the FY23 budget.

### Three Year Budget Trend

The table below shows the three year trend for Town departments by function.

<u>Function</u>	<u>FY21</u> <u>Approved</u>	<u>FY22</u> <u>Approved</u>	<u>FY23</u> <u>Request</u>	<u>\$</u> <u>'23/'22</u>	<u>% Inc.</u> <u>'23/'22</u>
General Government	1,157,515	1,236,015	1,277,221	41,206	3.33%
Finance/Tax/Treasurer/Assessing	691,833	703,547	716,833	13,287	1.89%
Planning/Building/Econ Dev	680,842	721,789	745,299	23,510	3.26%
Police	3,426,844	3,530,920	3,685,876	154,956	4.39%
Fire/EMS/EM	3,784,396	3,883,095	4,095,817	212,722	5.48%
Communications	381,059	429,319	455,650	26,331	6.13%
Health	119,196	149,663	152,486	2,823	1.89%
Public Works – General Fund	4,345,531	4,492,517	4,535,296	42,779	.95%
Maintenance - Garage	1,214,664	1,249,359	1,285,365	36,005	2.88%
Welfare/Human Services	179,840	180,930	183,475	2,545	1.41%
Parks/Recreation	580,176	640,116	624,029	-16,087	-2.51%
Other Culture/Recreation	33,500	34,000	34,000	0	0%
Public Library	1,081,267	1,124,643	1,163,956	39,313	3.50%
Debt Service/Capital	1,775,086	1,784,835	1,717,695	-67,139	-3.76%
Benefits and Taxes	<u>465,795</u>	<u>489,975</u>	<u>731,373</u>	<u>241,398</u>	<u>49.27%</u>
<b>Total General Fund</b>	<b>19,917,541</b>	<b>20,650,723</b>	<b>21,404,372</b>	<b>\$753,649</b>	<b>3.65%</b>

**FY22 Budget is total approved budget of \$20,387,002 plus Police, Fire and Public Works CBA's totaling \$122,302 and lease/purchases for SCBA equipment, and Engine 5 replacement.**

### General Budget Discussion

**Overview** – The FY23 budget of \$21,404,372 represents requested funding of Town Departments for FY23. Of note in the FY 23 budget numbers are the implication of inflation of the FY23 budget. Inflation is significant and has impacted budgets accordingly.

### FY23 Budget – Wage & Benefit Assumptions

**Wages.** The Town has three settled labor agreements with the Fire, Police, and Public Works unions. Wages approved have been factored into the FY23 budget. Nonunion wages have been budgeted for FY23 with a 2.5% step adjustment plus a 2.0% COLA adjustment effective July, 2023 to reflect the current labor market and a rising CPI. It is noted that these increases are less than the current rate of inflation.

**Health Insurance** – The Town offers family, 2-person and single plan health insurance to eligible full time employees. The Town is a member of HealthTrust. The Trust is a pooled risk program

covering over 50,000 public employees (including school districts) statewide. For the purposes of the FY23 budget, a 7.5% increase over FY22 has been included in the preliminary budget. Rates will be set in October 2022 by the HealthTrust Board of Directors. Rates are determined based on claims experience and the overall pool rating. Exeter is in the over 50 member group, and like each community and school district receives an individual rating. The Town's rating for FY22 was a 1.6% increase for all plan offerings. Health insurance contributions by plan vary by bargaining unit. Nonunion contributions increased to 21% in July 2022 for Blue Choice, and increased from 13% to 14% for Access Blue New England HMO.

**Dental Insurance** - Dental insurance for eligible employees is provided through HealthTrust. An increase of 2.0% has been forecast for the FY23 budget. The rating for dental insurance is done at the same time as the health insurance rating, and budgets will be adjusted accordingly when rates are known.

**Retirement** – The Town's full time employees participate in the New Hampshire Retirement System. The system classifies employees as either Group 1 (administrative and public works) or Group 2 (Police/Fire). Rates applied to payroll are: Group 1 employees – 14.06%, 13.53% as of July 2023. Group 2 employees - Police 31.28%, Fire 30.35%. Group 1 employees participate in Social Security (6.2% of payroll), while Group 2 employees do not.

### **FY23 Budget Notes**

Below is a summary of Department FY23 budgets. These budgets will be adjusted once health insurance, dental insurance, LTD insurance, and life insurance costs are known for FY23.

### **GENERAL GOVERNMENT**

**Select Board - (5 Elected) – FY23 Budget Request \$20,968, increase of \$332 or 1.6% over FY22.** The Select Board are the Town's elected governing body. The role of the Select Board is to manage the prudential affairs of the Town, including recommending the final budget to go before the Town deliberative session. Each Board member is compensated \$3,000 per year, and the Chair is compensated \$4,000 per year. FY23 budget changes include a reduction in the life insurance line item to reflect members enrolled. In addition, the special expense line item has been increased by \$500 to \$3500.

**Town Manager - (2.0 FTEs) – FY23 Budget Request \$263,743, increase of \$3,767, or 1.45% over FY22.** The Town's executive and day to day chief administrative functions are exercised through the Town Manager. The Town Manager's Office also provides administrative support to the Town's many boards and committees created by RSA, Town Meeting, or the Select Board, including the Budget Recommendations Committee, Swasey Parkway Trustees, Transportation Committee, Facilities Committee, Communications Advisory Committee,

Housing Advisory Committee, and Water/Sewer Advisory Committee, among others. The Town Manager's Office produces all packets and information for the Select Board, oversees preparation of the annual Town budget, and supervises all Town departments.

The Town Manager's budget includes two (2) full time personnel, the Town Manager and Senior Executive Assistant. The Senior Executive Assistant also functions as the Town's Human Services Administrator. FY23 budget changes include increases in the conference/rooms/meals account by \$1,000 to return this account to pre-COVID levels. In addition the dues account is increased by \$200 to cover NHMA dues increases, legal/public notices is increased by \$300, office equipment leases is increased by \$100, and subscriptions is increased by \$50.

**Human Resources – (2.0 FTE) – FY23 Budget Request: \$180,343, increase of \$22,507 or 14.26% over FY22.**

The Human Resources office is staffed by 1 full time Assistant Town Manager/Human Resources Director and a full-time Human Resources Assistant. The Human Resources office is primarily responsible for coordinating interviewing, hiring and on boarding of all Town employees, administering union contracts and Town benefit programs, and performing general personnel administration. This includes administration of health, dental, and life insurance programs, retirement benefits, evaluations, leave accruals and payroll, compensation changes, and benefit changes. The Human Resources Department also participates in collective bargaining. FY23 budget changes include a request for an additional part-time position within the office. The net increase to part-time salaries/benefits is \$7,777. Adjustments have also been made to the dues account – increase of \$73. Overall general expense accounts have been decreased by \$2600. The reclassification account of \$40,000 has been moved to the general government section of the budget.

**Transportation – (assessment only) – FY23 Budget Request: \$1, increase of \$0 over FY22.** The transportation account includes \$1 as a placeholder for FY22. In FY19, the budget for COAST was moved to the transportation fund (COAST FY22 request is \$20,000, same amount as FY21). This placeholder of \$1.00 has remained in the event any transportation expenses are charged to the general fund in FY23.

**Legal – (Contracted Services) – FY23 Budget Request: \$80,000 – \$0, 0% increase over FY22 budget.**

The Town is represented by Mitchell Municipal Group for general counsel. The Town contracts with attorney Tom Closson (nhlaborlaw.net) for collective bargaining, labor and personnel issues. McLane Middleton is utilized for environmental issues, and DTC Lawyers are special counsel in cable TV matters. Each firm charges various rates and the FY23 budget has been allocated at \$80,000 for general legal work throughout the year. Each fund is charged for legal services based on work done in those areas (general, water, sewer, CATV).



**Information Technology – (3.0 FTEs) – FY23 Budget Request: \$331,752, increase of \$17,537, or 5.58% over FY22.** The IT Department is staffed by three full time personnel: the IT Coordinator, Network Administrator and EXTV/IT Technician. The IT Department oversees IT issues Town wide and manages the Town’s IT infrastructure. The EXTV/IT Technician spends the majority of time supporting EXTV issues, including public access and televising, streaming and zoom functions with government meetings. The Department is also responsible for managing the Town wide phone system. In addition, the Department updates and upgrades Town software, manages the IT security platforms, manages credit/debit card acceptance, permitting software, and GIS needs. The frequent and visible work done by EXTV gets support from the IT Department, with a portion of the IT Coordinator’s salary charged to the Cable Access Revolving Fund. FY23 budget changes include an increase in computer software of \$5,606, an increase in dues of \$390, reduction in equipment purchase of \$600, reduction in GIS software of \$900, increase in internet services of \$1235, increase in network supplies of \$5500, increase in phone utilization of \$4050, increase in email archiving of \$1,275, and a reduction in software agreement of \$4,500. The computers capital outlay line has been reduced by \$1,650 to \$12,000. A portion of the IT budget is allocated to the water/sewer funds for support of those enterprises.

**Trustees of Trust Funds - (3 Member Board, Elected) – FY23 Budget Request: \$891, increase of \$0, or 0% over FY22.** The Trustees of Trust Funds are an elected three member board that oversees all Town and school trust funds created under RSA 31 and capital reserve funds created via RSA 35. The Chair of the Trustees is paid a stipend of \$828 each year. This stipend is part of the general government budget.

**Town Moderator – (2 PT Elected) – FY23 Budget Request: \$754, decrease of \$377, or 33.33% under FY22.** The Town Moderator is an elected position charged with elections oversight and Town Meeting oversight. The Moderator acts as the Chair of the Town Meeting. The following items have been budgeted for FY23 requiring the Moderator: February Deliberative Session, March Town Election. The Moderator is paid \$175 per meeting. The Town also budgets for one Special Town Meeting in the event it is needed. There is also an Assistant Moderator appointed to assist the Town Moderator during elections and Town Meetings.

**Town Clerk - (4.0 FTE including 1 FT Elected) – FY23 Budget Request: \$386,238, increase of \$9,910, or 2.63%, over FY22.** The Town Clerk’s Office services include registering motor vehicles, ORVs, and boats, performing vital records research, dog licensing, records retention, Town Meeting coordination and ballot preparation, and elections oversight (working with the Checklist Supervisors, Select Board, and the Town Moderator). The Town Clerk’s Office also sells stickers to residents for the transfer station, including bulky stickers, electronics stickers, as part of the Town’s solid waste program. FY23 budget increases include wage and benefit

increases of \$9,741, and expense increases of \$169 which include dues increases of \$60 and the software agreement with interware, a \$102 increase.

**Elections/Registration – (0 FTE, PT Elected) – FY23 Budget Request - \$12,533, decrease of \$12,470, or 49.88%, over FY22 budget.** The Elections/Registration budget covers election and Town Meeting costs outside the Moderator’s wages. The Elections budget covers wage costs for poll workers, checklist supervisors, as well as expenses of postage, printing, coding, collating, and voting machine maintenance. There will be one election in FY23 - the Town election in March 2023.

### **FINANCE/TREASURER/TAX/ASSESSING**

**Finance/Tax Collection/Treasurer/Assessing – FY23 Budget Request \$716,833, an increase of \$13,287, or 1.89% over FY22.**

**Finance - (3.0 FTE) – FY23 Budget Request: \$350,558, decrease of \$2,930, or .83%, under FY22.**

The Finance Department executes day to day budget implementation and fund accounting, payroll processing, accounts payable, Town audit preparation, single audit act compliance, state and Town financial reporting, general ledger management, and cash management. The Finance Department manages several different Town funds: General, Water, Sewer, EMS revolving, CATV revolving, Parks/Recreation revolving, Police Detail Fund, Planning Fund, Heritage Fund, and many other capital reserve, expendable trust, and escrow funds. Changes in the Finance Department accounts in FY23 include an increase in \$1,335 for audit fees, \$3,835 for bank fees including the addition of fraud prevention; a reduction in \$5,500 in contract services for an off year for the GASB 74/75 reporting requirements; an increase of \$300 in dues; a reduction in \$780 in education/training, a reduction of \$250 in postage, an increase of \$1,375 for the Munis software agreement, a reduction of \$550 in travel reimbursement. The net decrease in expenses for FY23 is \$235.

**Treasurer - (1 Elected) – FY23 Budget Request: \$9,692, decrease of \$100, 1.02% under FY22.**

The Town Treasurer is elected, and the Treasurer is paid a stipend of \$8,864 per year. The Treasurer works closely with the Finance Department performing cash reconciliations and managing cash flow, weekly cash disbursements, and bank account management. The Town Treasurer is a statutory position required by RSA 41:29.

**Tax Collection - (2.0 FTE) – FY23 Budget Request: \$114,832, increase of \$12,258, or 11.95%, over FY22.**

The Tax/Water/Sewer Office is located in the Town Offices at 10 Front Street, and collects all property tax revenue and water/sewer revenue for the Town, including property taxes for the local school district and SAU16. In addition, the tax/water/sewer office administers all property tax deeding and lien issues, coordinates bankruptcy filings, creates payment plans for residents with delinquent water and sewer accounts, coordinates the semi-

annual tax billing process in May and November, and compiles the MS-61 report of the Tax Collector required by the NHDRA. FY23 budget changes for the Tax Department include an increase in \$35 for conference/rooms/meals, an increase of \$1,500 in postage, and a reduction of \$300 in tax billing services. The office functions with 2 FT personnel, the Deputy Tax Collector, and the Collections Specialist.

**Assessing - (1.0 FTE, plus contracted services). FY23 Budget Request: \$241,752, increase of \$4,058, or 1.7%, over FY22.** The Town's contract Tax Assessor is MRI. The office is supported by a full-time Deputy Assessor. The Assessing Department is responsible for administering the assessment of all real and personal property, processing abatements, all credit and exemption programs, map/lot/building database management, and deed management/recording. The Assessing office acts as a resource to local real estate agents and property owners, and performs a variety of functions regarding land use for other Town departments such as Planning, Economic Development and Public Works. FY23 budget changes include an increase in the mapping budget of \$450, an increase in postage to pay for sales questionnaires of \$200 and an increase in the software agreement line of \$1,536. The assessing contract with MRI shows a reduction of \$16,400 based on services provided after the Deputy Assessor was made the Town Assessor.

**PLANNING/BUILDING/ECONOMIC DEVELOPMENT – FY23 Budget Request \$745,299, increase of \$23,510, or 3.26% over FY22.**

**Planning - (2.4 FTE) – FY23 Budget Request \$281,478, increase of \$10,382, or 3.83%, over FY22.** The Planning Department is staffed by one full time and two part time personnel including the full time Town Planner, who provides technical support and guidance to the Planning Board, including overseeing the Town's technical review committee, site plan review process, lot line adjustments, and conditional use permit issuance. The FY23 Planning budget includes increases in conference/rooms/meals of \$600, dues \$127 increase, and a reduction in sustainability expenses of \$1,250. Overall expenses are down \$522. The Planning Department also has a part time Administrative Assistant who supports planning, building, land use, and conservation areas, but is budgeted in the Planning Department.

**Economic Development - (1.0 FTE) – FY23 Budget Request \$159,929, increase of \$6,815, or 4.45%, over FY22.** Economic Development's primary responsibilities include working with current and prospective businesses and property owners to expand and improve upon the Town's commercial tax base and enhance overall economic development within the Town. The Department administers the TIF District on Epping Road, oversees RSA 79-E applications for qualifying districts, and works to promote Exeter. This Department also interacts frequently with Federal, State and other local officials to further the goals of economic development for Exeter. The FY23 Economic Development budget includes funding to complete an economic

development certification program (the EDI) sponsored by the University of Oklahoma (total cost \$3500). Consulting services have been increased by \$1300 to \$2500 from \$1200.

**Inspections/Code Enforcement – (2.6 FTE) – FY23 Budget Request \$285,757, increase of \$6,312, or 2.26%, over FY22.** The Building Department has a full time Building Inspector/Code Enforcement Officer, plus a full time Deputy Code Enforcement Officer. The Deputy CEO also supports the Planning Department. The Department budget also includes a part-time Electrical Inspector of 24 hours per week. This Department provides all building and electrical inspections as required by the building and electrical codes. The Department reviews septic permits, and also performs code enforcement duties as needed. Budget increases for FY23 include \$6,312 in wages and benefits.

### **Land Use Boards and Committees**

The Planning/Building Department also supports several volunteer land use boards, committees and commissions in their missions including the Zoning Board of Adjustment, Planning Board, Conservation Commission, Historic District Commission, and Heritage Commission. This support comes in the form of processing applications, making zoning determinations, reviewing site plans, and attending committee meetings.

**Zoning Board of Adjustment, Historic District Commission, Conservation Commission, Heritage Commission - (0 FTE, Recording Secretary assistance) – FY23 Budget Requests: ZBA \$4,326, increase of \$0, or 0% over FY22, HDC \$2,825, increase of \$0, or 0% over FY22, Conservation Commission \$10,089, increase of \$0, or 0%, over FY22, Heritage Commission \$893, increase of \$0, or .0% over FY22, Renewable Energy Expense, \$1, or 0% over FY22.**

These budgets pay for recording secretaries for each board and committee, along with grant matching funds (Historic District Commission), land administration (Conservation Commission), public notices (all). The Conservation Commission budget also includes funds for conservation land management, including mowing and trail maintenance. The Historic District Commission budget includes \$1000 for grant matching funds through the Certified Local Government program.

### **PUBLIC SAFETY**

**Police Department – (29 FT) – FY23 Budget Request - \$3,685,876, increase of \$154,956, or 4.39%, over FY22.**

The FY23 budget for the Police Department reflects continued funding of 29 full-time personnel. General expenses are a net increase of 4.8% or \$13,271. Increases include \$75 for dues. Accreditation expenses have been increased by \$561. Fuel is increased by \$1734, mobile communications have been reduced by \$2,203. Software agreement is increased \$5,555 to

fund Central Square IMC. The new comfort dog at the Police Department requires \$8,000 in expenses and this is a new line item. Overall wages are up 6.6% and this increase includes the new collective bargaining agreement as well as the second Lieutenant position for a full year. Benefits are up .5% pending the health insurance adjustment in October 2022.

**Fire/Emergency Management Department -- (33 FTE) – FY23 Budget Request - \$4,095,817, increase of \$212,722, or 5.48%, over FY22.**

The FY23 Fire Department budget request of \$4,095,817 represents a \$212,722 increase, or 5.5% over FY22. The budget request includes full year funding of two additional firefighters to bring shift strength to 7 for each of the 4 shifts. Department wages are up \$129,515 to account for 2 FT firefighters approved in the FY22 budget along with the full year impact of the new collective bargaining agreement. Department increases include \$75,192 or 5.9% in benefits. The Fire Department expense budget is increased by \$8,015 or 2.5%. This increase includes \$30 in Chief's expenses, \$114 in communications equipment, \$2,500 in community relations \$750 in contract services, \$597 in dues, \$2,280 in education training, \$115 in fire prevention supplies, \$2,280 in education/training, \$7,575 in fuel, \$420 in general expenses, \$31 in hose replacement, \$101 in office equipment maintenance, \$235 in office supplies, \$300 in conferences/rooms/meals, \$8,015 in protective equipment, \$2,088 in software agreement, \$1,462 in uniforms, \$995 in vehicle equipment.. These increases are offset by decreases in breathing apparatus \$5,546, cistern maintenance \$700, command supplies \$1,500, postage \$219, dry cleaning \$75, general equipment repair \$50, physicals \$8,005, radio repairs/maintenance \$3,000 and emergency management equipment \$500.

**PUBLIC SAFETY SHARED SERVICES**

**Communications/Dispatch – (6 FTE) – FY23 Budget Request - \$455,650, increase of \$26,331, or 6.13%, over FY22.**

The Town's Dispatch center functions 24 hours per day and 7 days per week. The general phone number 772-1212 connects to Dispatch. The Department fielded over 8,246 calls in 2020 plus over 2,900 E911 calls. Dispatch is responsible for dispatching E-911 calls, as well as non emergency calls for both Fire and Police. The Department employs 6 full time dispatchers including a Dispatch Supervisor. One Dispatcher is charged to the EMS Fund. Wage changes in the full-time line item are an increase of \$18,457 or 7.1% over FY22 and benefits are increased \$3,274 or 2.3% over FY22. Expenses are increased \$4,600 or 17% over FY22 with an increase in the equipment maintenance account of \$4,500 representing the bulk of the expense increase of \$4,600.

**Health – FY23 Budget Request – (1 FTE) -- \$152,486, increase of \$2,823, or 1.9%, over FY22.**

The Health budget includes funding for 1 FT Health Officer who works out of the Fire Department. This position is responsible for all food licensing, enforcing sanitary codes, and all public health issues under state law and local ordinance. In FY20 and FY21 the Health Officer served as the Town's primary point of contact for COVID 19 issues. FY23 budget changes include reductions in the education/training account of \$1500, and postage of \$8. Mosquito control has been increased by \$1,000. The general expense accounts are a net reduction of \$272 or -.6%, over FY22.

## **PUBLIC WORKS**

### **PUBLIC WORKS - GENERAL FUND – (27.2 FTE including Maintenance) – FY23 Budget Request - \$4,535,296, increase of \$42,779, or .95%, or, over FY22.**

The Public Works General Fund budget includes eight separate functions: Administration/Engineering, Highways/Streets, Snow Removal, Solid Waste, Street Lights, Stormwater, Maintenance/Garage, and Town Buildings (utilities, maintenance, projects).

**Administration and Engineering (6.0 FTE) – FY23 Budget Request: \$485,129, increase of \$38,287, or 8.57%, over FY22.** This Division provides primary oversight and administrative and engineering support to the other Public Works divisions and also oversees all capital projects which originate through DPW, including water/sewer projects. The Division also manages the overall Department including DPW contracts, personnel management, payroll, customer service, sticker sales, etc.. The Division also supports various committees such as the River Advisory Committee, Water/Sewer Advisory Committee, and works closely with State and Federal agencies on a variety of different regulatory issues. The division also provides staff support to the Planning Board and Planning office as part of the Town's Technical Review Committee. This Committee reviews all development projects under the purview of the Planning Board. The FY23 Administration and Engineering budget includes increases in fuel of \$155, general expense increase of \$350, for a total general expense increase of \$505. This budget also includes the first year for 6 months of a GIS Technician.

**Highways/Streets - (12.0 FTE) – FY23 Budget Request: \$2,095,518, decrease of \$61,041, or 2.83% under FY22.** The FY23 Highways and Streets budget includes the following changes. An increase in the fuel budget of \$8,545, and an increase of \$700 in the uniforms budget. The paving budget has been reduced by \$100,000 from \$800,000 to \$700,000.

**Snow Removal - (0 FTE, Overtime plus Contracted Services) – FY23 Budget Request: \$313,016, decrease of \$185, or .06% under FY22.** The FY23 snow removal budget is level compared to FY22. The sole reduction in expenses is \$185 in retirement costs. The snow/ice budget is entirely weather dependent and varies from year to year. The Town uses a combination of in house personnel and contracted plows. The Town also maintains a snow/ice deficit fund, which

is funded each year by \$50,000 from general fund surplus. This funding offsets any deficits in the snow/ice budget due to a bad winter, and has a balance of \$153,225 as of July 2022.

**Solid Waste - (1 PT Employee, plus OT for Highway employees assigned to the transfer station on weekends) – FY23 Budget Request: \$1,380,273, increase of \$65,718, or 5.0%, over FY22.**

The Town's Solid Waste budget includes operating costs for the Transfer Station at 9 Cross Road, and the Town's solid waste contract including weekly trash pickup, weekly recycling pickup, yard waste pickup, and bulky item pickup. FY23 will be the second year of an extension signed in 2021 with Waste Management. This budget also includes landfill monitoring requirements at the Town's 2 closed landfills (Cross Road and Powder Mill Road). These sites are monitored through an engineering contract with GZA Environmental.

Revenues from blue bag sales and recycling bins, as well as stickers and transfer station permits, offset a portion of the Solid Waste budget.

FY23 budget changes include a reduction of \$37,000 to the blue bags account to reflect the number of bags produced and distributed. The disposal/recycling contract has been increased by \$94,000 to reflect current tipping and disposal costs per the contract extension with Waste Management. The recycle containers account is increased \$7,000 to account for a price increase in 65 gallon totes. Increases have been made to the electricity line item of \$500, yard waste \$82, and the food waste compost program of \$209.

**Street Lights (0 FTE, expenses only) – FY23 Budget Request: \$169,000, increase of \$0, or 0%, over FY22.** The Town has 695 street lights in the street light account and is responsible for paying the electric bills for these lights under a tariff system. In FY19, the Town successfully converted the inventory of street lights to LED and completed a purchase of the system from Unutil. This is expected to result in a level budget for the next 5 years and savings thereafter once the system cost is paid off. The traffic light maintenance line item is level funded at \$9,000. This account pays for emergency repairs of traffic lights.

**Stormwater - (0 FTE, contracted services) – FY23 Budget Request: \$92,360, increase of \$0, or 0% over FY22.** The Stormwater budget includes primary expenses related to MS4 permit compliance as well as the Town's LTCP (Long Term Control Plan) for nitrogen. The expenses itemized in this budget include contracted services paid to engineering firms for reports due to the EPA on MS4 and AOC compliance issues. The FY23 budget is level with FY22.

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**PUBLIC WORKS – MAINTENANCE – FY23 Budget Request - \$1,285,365, increase of \$36,005, or 2.88%, over FY22.**

**Maintenance - General - (5.8 FTE) – FY23 Budget Request - \$598,064, increase of \$33,579 or 5.95% over FY22.** The Town Maintenance General Division is part of the Public Works Department Facilities Operation. The Maintenance Superintendent oversees general Town building maintenance along with the garage. The general building maintenance staff includes a full time electrician, carpenter, and an HVAC/plumbing technician. This Division also includes a full time custodian, and a part time custodian budgeted at 34 hours per week. Cleaning of Town buildings is done via a contract with outside forces on off hours, as well as a full-time in house Custodian and a part-time Custodian. FY23 budget changes include wages/benefits of \$14,829, plus an increase in custodial supplies of \$4,000. Covid-19 expenses have been reduced by \$6,000, and fuel has been increased by \$2,200. Uniforms have increased by \$550, and a new line item for fire safety for fire alarm systems, emergency lighting and fire extinguishers has been included for an \$18,000 requested expense.

**Town Buildings – (0 FTE, Utility and Maintenance Expenses) – FY23 Budget Request - \$303,607 increase of \$9,432, or 3.2%, over FY22.** These accounts include expenses for maintenance of Town buildings, electricity, natural gas, and water/sewer bills. Town buildings include Town Hall, Town Office, DPW Complex, Public Safety Complex, Senior Center, Parks/Recreation Building, and 4 Hampton Road. It also includes the Swasey Parkway, Swasey Bandstand, 47 Front Street building, and Train Station expenses. The FY23 budget includes a favorable kwh rate of 7.47 cents for electric supply. Natural gas increases have reached 9.8 per therm, a significant increase. The natural gas accounts have been adjusted to increase \$15,850. Overall building maintenance accounts have been increased \$3000 while COVID related expenses have been decreased by \$5000.

**Maintenance Projects – (0 FTE, Maintenance Projects) – FY23 Budget Request - \$100,000, increase of \$0, or 0% over FY22.** This budget supports capital projects overseen by the Maintenance Department on Town buildings.

**Maintenance - Garage - (3.0 FTE) – FY23 Budget Request - \$283,694, decrease of \$7,006, or - 2.41%, under FY22 budget.** The Town Maintenance Garage is located at the 13 Newfields Road Public Works complex. The budget includes three full time personnel, a lead mechanic and two full time mechanics. The Division is responsible for primary maintenance of the Town vehicle fleet. The Division also coordinates smaller efforts with local mechanic shops on problem diagnosis when warranted. The FY23 budget includes an increase of \$200 in the fuel budget. Wage and benefits changes equal a reduction of \$7,206.

#### **WELFARE/HUMAN SERVICES**

**Welfare/Human Services (0 FTE, 16% of wages paid to TM Senior Executive Assistant as Human Services Administrator) – FY23 Budget Request - \$183,475, increase of \$2,545, or**



**1.41%, over FY22.** The Town administers welfare assistance as required by state law, RSA 165. The Town Manager's Senior Executive Assistant is the Town's Welfare/Human Services Administrator and processes assistance applications, screens applicants, and provides aid in the area of rent, electricity, food, and other basic needs. The position also regularly interfaces with outside agencies to seek funding to assist Exeter residents in need of basic assistance. This budget also reflects amounts recommended from the Human Services Funding Committee, which reviews applications for human services grants, and recommends a figure to both the Budget Recommendations Committee and Select Board each year for funding. The Welfare/Human Services Administrator coordinates this process. The FY23 Welfare budget has increases in burial expense of \$3,000, heat of \$1,000 for a total expense increase of \$4,000. The human service agency funding line is reduced by \$6,495 or 6.2% after a review of all agency funding requests by the Human Services Funding Committee. The Committee has recommended funding in the amount of \$98,610 in the FY23 budget to support agencies serving Exeter.

**PARKS/RECREATION – FY23 Budget Request - \$624,029, decrease of \$16,087, or 2.51%, under FY22.**

**Recreation - (4.0 FTE) – FY23 Budget Request \$403,124, increase of \$14,006, or 3.6%, over FY22.** The Recreation budget includes 4 full-time positions of Recreation Director, Assistant Director, Recreation Coordinator, and Office Manager. FY23 recreation wages are increased \$12,221 or 4.8%, over FY22 due to turnover in personnel and non union wage increases. Expenses have been increased by \$100 in the dues line item.

**Parks - (2.0 FTE) – FY23 Budget Request - \$220,905, decrease of \$30,093, or 11.99% under FY22.** The Parks budget includes 1 full-time Parks Foreman and 1 full-time Laborer. The budget for full-time personnel has been increased by 8.3% to account for wages for the Foreman position and the new SEIU contract. Benefits have decreased \$45,441, or 65.3% in the Parks budget resulting from health plan changes. Expenses are a net increase of \$7,811 or 8.6%. Increases are in chemical toilet rental \$200, contract services \$12,960, and uniforms \$150. Decreases are in equipment purchase \$4,999 and vehicle maintenance \$500.

**OTHER CULTURE/RECREATION – FY23 Budget Request - \$34,000, increase of \$0, or 0%, over FY22.**

**Other Culture/Recreation.** The Other Culture and Recreation FY23 budget is \$34,000. This budget includes the following requests. Many of these items support traditional community events held in Exeter:

1. Christmas Lights: \$5,000. These funds go to offset costs related to hanging lights, Unitil electric bill, garlands, and holiday decorations associated with the annual holiday season light display.
2. Holiday Parade: \$4,500. These funds support the Town's annual Holiday Parade. The funds represent an annual Town contribution and go to offset parade costs including bands, police details, etc..
3. Summer Concerts - Sponsored by Parks/Recreation on Swasey Parkway. Thursdays in the summer : \$9,000 requested. The budget has been level funded for FY23.
4. Exeter Brass Band. These are payments to members of the band for their summer concert series held each Monday in July: \$4,000.
5. Veterans Activities - This budget supports the annual Memorial Day Parade and Veterans Activities: \$3,500.
6. AIM Festival Fireworks - \$8,000. The Parks/Recreation Department sponsors a fireworks display each year to coincide with the American Independence Festival. Cost of the display is estimated at \$8,000 for FY23.

**LIBRARY – FY23 Budget Request - \$1,163,956, increase of \$39,313, or 3.50% over FY22.**

**Public Library** - (9.0 FT, 14 part-time employees) – The FY23 Library budget reflects funding for 7 FT employees and 14 part time employees. The budget also includes funds for purchasing books, maintenance contracts, utilities, technology, and supplies. The FY23 budget is put forward by the Library Trustees. Main activities at the Library in FY23, in addition to their broad amount of regularly offered programs to all ages, will include the second year operation of the newly renovated library. Public services are decreased by \$24,750 for a new total budget of \$177,854. This account pays for all operating expenses at the library including utilities and book purchases.

**DEBT SERVICE AND CAPITAL – FY23 Budget Request - \$1,717,695 – decrease of \$67,139, or - 3.76% under FY22.**

**Debt Service - General Fund – FY23 Budget Request \$1,507,520, an increase of \$122,018, or 8.81%, over FY22.** The General Fund carries debt service on long term bonds for large capital projects. Principal payments on debt service in FY23 include the second year payment on the Salem Street utilities bond (general fund portion) of \$56,441. The FY23 debt service budget includes the first year payments on the Recreation building at 10 Hampton Road, and the Westside Drive design project. Debt service interest is increased \$7,256 or 2.0%.

**Vehicles Replacement/Leases – FY23 Budget Request - \$203,683, a decrease of \$191,393, or - 48.44%, under FY22.** The Vehicles/Replacement and Leases budget includes all current leases on heavy equipment. See CIP page 66 for the most recent lease/purchase schedule.

**BENEFITS AND TAXES – FY23 Budget Request \$731,373, increase of \$241,398, or 49.27% over FY22.**

The FY23 Benefits and Taxes budget includes the health insurance reserve (7.5% estimated plan cost increase totaling \$191,983), the health insurance buyout program (employees taking the buyout receive 30% of the Town’s savings), dental and life insurance reserve (2.0% increase), and flexible spending fee reserve (the Town pays the administrative fee to encourage enrollment in the program). The unemployment budget \$2,537, worker's compensation budget \$262,888, and property/liability insurance budget \$76,234 are also part of this budget. The Town participates in the Primex CAP program which caps increases in insurance to not more than 6%. The Library budget carries the Library share of the worker's compensation, property/liability, and unemployment budget allocations for Library employees. In addition, allocations are made for these budgets to the Water and Sewer Funds.

Total General Fund Budget: \$21,404,372 , increase of \$753,649, or 3.65%, over FY22.

**BOND ARTICLES - GENERAL FUND**

**New Police Station with Fire Substation - \$15,950,000** – see CIP page 3.

**Westside Drive Reconstruction - \$6,020,000** – see CIP page 26. This project is split among the general fund, water fund, and sewer fund.

**Intersection Improvements Program - \$798,000** – see CIP page 16.

**WARRANT ARTICLES – CAPITAL IMPROVEMENT PROGRAM (CIP) – NON FUND BALANCE**

**Linden Street Bridge** - \$295,000 (balance of project) – see CIP page 17.

**WARRANT ARTICLES – FUND BALANCE**

**Downtown Traffic, Parking & Pedestrian Flow Analysis** -- \$50,000 – see CIP page 9.

**Conservation Fund Appropriation** – \$50,000 - see CIP page 11.

**Public Works Facility** – \$50,000 - see CIP page 1.

**Park Improvement Fund** – \$100,000 - see CIP page 12.

**Capital Reserve Fund for ADA Improvements** – \$25,000 -- see CIP page 7.

**Fire Inspector Vehicle Replacement** - \$49,313 – see CIP page 42.

**DPW Replace ½ Ton Truck with ½ Ton AWD with Plow Package** - \$53,558 – see CIP page 50.

TOTAL: \$377,871

**WARRANT ARTICLES – LEASE/PURCHASES**

**Replace DPW Sidewalk Tractor #57** - \$177,705 – see CIP page 49.

**DEFERRALS**

Planet Playground Replacement/Renovation - \$1,000,000

New Groundwater Source Development - \$5,959,000

New Surface Water Treatment Plant Design - \$2,500,000

Great Bay TN Permit - \$40,000

Sidewalk Program - \$200,000

Fire Utility 1 Replacement - \$61,986

School Street Area Reconstruction Design - \$405,000

DPW Replace 6 Wheel w/Dump & Plow Truck #33 - \$75,032

**Total General Fund Appropriations**

FY23 Preliminary Budget - \$21,404,372

FY23 Warrant Articles (Non Fund Balance General Fund) - \$295,000

Total FY23 Preliminary: \$21,699,372

Total FY22 General Fund Appropriations: \$20,917,800

Total \$ Appropriations over FY22: \$781,572

Total % Appropriations over FY22: 3.74%

**FY23 GENERAL FUND REVENUES**

The Town has limited revenues to apply to offset the general fund budget. The main categories of revenue include vehicle registration revenues, the cable television franchise fee, building permits, interest on taxes and penalties, and intergovernmental revenue (highway block grant aid, and meals and rooms tax distributions). A table summarizing FY23 budget revenue is below:

<b>Description</b>	<b>Revised Revenue FY21</b>	<b>Projected Revenue FY22</b>	<b>Projected Revenue FY23</b>
Interest and Penalties	\$115,000	\$123,000	\$123,000
Current Use Tax	147,770	25,000	\$25,000
Yield Tax Revenue	2,000	1,500	\$500
Payment In Lieu Of Taxes	44,039	44,039	\$44,040
Excavation Tax	500	500	\$500
Jeopardy Tax Revenue	1,500	500	\$500
Motor Vehicle Permits	3,080,000	3,080,000	\$3,080,000
Building Permits & Fees	350,000	\$275,000	\$275,000
General Town Clerk Revenue & Franchise Fees	210,000	\$232,000	\$232,410
General Revenue Sharing	0	0	0
Meals and Rooms Tax Revenue	1,046,425	1,125,000	\$1,125,948
State Highway Block Grant	304,590	296,500	\$296,552
Water Pollution Grant	16,421	0	0
State Grant Revenues	25,000	25,000	0
FEMA Reimbursements	67,016	0	\$74,000
Income From Departments	1,215,000	1,000,000	\$1,001,693
Sale of Town Property – Other	0	0	\$118,795
Interest Income	10,000	10,000	\$15,000
Total Rental/Misc Income	5,500	5,000	\$19,984
Transfers In Trust/Special Revenue Funds	312,650	200,000	\$200,000
Excess Bond Revenues	0	0	0
Use of Fund Balance	\$700,000	\$800,000	\$800,000
<b>Total Revenues</b>	<b>\$7,653,411</b>	<b>7,236,223</b>	<b>7,425,922</b>

## **ENTERPRISE FUNDS**

### **Water and Sewer Funds**

The total Water Fund budget request is \$4,646,454 an increase of \$386,023, or 9.06%, over FY22. The total Sewer Fund budget request is \$7,445,783, an increase of \$48,789 or .66%, over FY22.

The Water and Sewer Fund budgets fund all operations, maintenance, capital and debt service for the Town's water and sewer systems. Approximately three quarters of the Town's population are on the public water and sewer system.

The Water and Sewer Funds receive all revenue through water and sewer fees, not the property tax. Residents are billed quarterly for water/sewer services. There are three districts throughout the system, resulting in one bill being issued each month (4 bills x 3 districts = 12 bills per year).

#### **Budget Overview**

**Water** – Major budget drivers in the FY23 Water Fund budget include wage and benefit increases, a lead service line replacement program, lab testing increases, and the first year debt payment on the groundwater exploration program.

**Sewer** – Major budget drivers in the FY23 Sewer Fund budget include wage and benefit increases, electric costs, lab testing, chemical increases, and increases in natural gas and solids handling costs. FY23 will be the fourth year of operation for the new Wastewater Facility and Main Pumping Station.

#### **Water and Sewer Funds – FY23 Budget Request**

Fund	FY22	FY23	% Increase/Decrease
Water Fund	\$4,260,431	\$4,646,454	9.06%
Sewer Fund	<u>\$7,396,994</u>	<u>\$7,445,783</u>	.66%
Total Water-Sewer Funds	\$11,657,425	\$12,092,237	3.73%

## WATER FUND

### WATER FUND

<u>Program Area</u>	<u>FY21 Budget</u>	<u>FY22 Budget</u>	<u>FY23 Budget Preliminary</u>	<u>\$ Differential</u>	<u>% Differential</u>
Administration	\$409,340	\$445,520	\$558,777	\$113,257	25.42%
Billing/Collections	171,147	192,092	199,597	7,505	3.91%
Water Distribution	872,786	894,623	964,009	69,386	7.76%
Water Treatment	822,395	851,625	938,271	86,646	10.17%
Debt Service	1,263,186	1,323,021	1,458,470	135,449	10.24%
Capital Outlay	515,330	553,550	527,330	-26,220	-4.74%
Approp. Reserves					
Totals	\$4,054,184	\$4,260,431	\$4,646,454	\$386,023	9.06%

**NOTE: FY22 budget includes approved collective bargaining agreements in billing, distribution, and treatment.**

**Water Administration – FY23 Budget \$558,777, increase of \$113,257, or 25.42%, over FY22.**

The Water Fund administration budget includes indirect and direct support from general municipal departments (Town Manager, IT, Human Resources) along with DPW administrative overhead (Director, Town Engineer, Assistant Engineer, Engineering Technician, office management). It also includes the Water/Sewer Assistant Manager position, and temporary wages for seasonal personnel who serve the Water/Sewer Department. FY23 budget changes include an increase of \$80,000 for consulting services for a lead service replacing replacement plan. Property insurance is increased \$2,640 based on Primex billing of water assets.

**Water Billing – FY23 Budget \$199,597, increase of \$7,505, or 3.91%, over FY22.** The billing budget includes administration of the billing program from the Collections Department located at the Town office, the Utilities Clerk, and Billing Clerk functions. It also includes financial support allocations of the Finance Director, Deputy Tax Collector, Collections Specialist, Accountant, and Human Resources and Accounting Specialist. FY23 includes an increase of \$6,955 of water/sewer billing personnel and benefits. Expenses have been reduced by \$2590 in Munis avoided costs. Expenses have been increased in postage - \$575, audit fees \$670, phone utilization \$675, internet services \$206, email filtering and archiving \$213, and software agreement \$801.

**Water Distribution – FY23 Budget \$964,009, increase of \$69,386, or 7.76%, over FY22.** The Water Distribution budget covers operating costs related to the distribution system, meter replacements, pump station maintenance, and storage tanks. The distribution budget has been increased by \$69,386 or 7.8% over FY22. FY23 budget changes include a reduction of \$4,700 in

the tank maintenance line item due to contracts being a year older. General hand tools are increased \$300, uniforms are increased \$255. GIS software has been increased by \$21,000 to support the asset management program. Metering and back flow lines are increased \$5,000. Natural gas has been increased \$3,000, electricity is increased \$17,500, and fuel has been increased by \$4,900.

**Water Treatment – FY23 Budget \$938,271, increase of \$86,646, or 10.17%, over FY22.** The Water Treatment budget covers operating and maintenance costs for the groundwater facility on Lary Lane (GWTP), and the surface water treatment plant on Portsmouth Avenue (SWTP). The Water Treatment budget includes one full time Operation Supervisor, a Senior Operator, and two Operators. FY23 treatment budget changes include an increase of \$8,000 in the lab testing line item for augmented testing under the Town’s water supply permit. Lab equipment has been increased \$5,000. Chemicals have been increased \$30,000. Natural gas has been increased \$8,500, electricity has been increased \$18,000.

**Water Debt Service – FY23 Budget \$1,458,470, increase of \$135,449, or 10.24%, over FY22.** – FY23 changes to the debt service budget include the first year payment on the \$1 million dollar debt issue for groundwater exploration. In addition the first year payment on the Westside Drive design and engineering issue is also due in FY23.

**Capital Outlay – FY23 Budget \$527,330, decrease of \$26,220, or 4.74%, under FY22.** – The Water Capital Outlay account includes funds for capital projects of filter clarifier maintenance of \$412,000, stadium well rehab and repairs of \$60,000, and river pump station and replacement of pumps \$40,000.

**WATER FUND BOND ARTICLES AND OTHER APPROPRIATIONS**

Two water fund bond articles are listed under deferrals.



## SEWER FUND

### Sewer Fund

<u>Program Area</u>	<u>FY21 Budget</u>	<u>FY22 Budget</u>	<u>FY23 Budget</u>	<u>\$ Differential</u>	<u>% Differential</u>
Administration	463,039	\$477,909	\$512,470	\$34,560	7.23%
Billing/Collections	167,922	188,867	196,020	7,153	3.79%
Sewer Collection	732,111	747,297	812,834	12,115	8.77%
Sewer Treatment	1,330,179	1,436,471	1,639,539	98,792	14.14%
Debt Service	4,106,782	4,305,495	4,219,591	260,158	-2.0%
Capital Outlay	215,331	240,955	65,330	41,374	-72.89%
Totals	\$7,015,364	7,396,994	7,445,783	48,789	.66%

**Sewer Administration – FY23 Budget \$512,470, increase of \$34,560 or 7.23 %, over FY22.** The Sewer Fund administration budget includes indirect and direct support from general municipal departments (Town Manager, IT, Human Resources) along with DPW administrative overhead (Director, Town Engineer, Assistant Engineer, Engineering Technician, office management). It also includes the Water/Sewer Manager position, Water/Sewer Assistant Manager position, and temporary wages for seasonal personnel who serve the Water/Sewer department. FY23 increases include FT wages of \$23,594 for general fund allocations including the proposed GIS Technician position. On the expense side, supplies have been increased by \$500, and property and fleet insurance has been increased by \$4013.

**Sewer Billing – FY23 Budget \$196,020, increase of 7,153, or 3.79%, over FY22.** The billing budget includes administration of the billing program from the Collections Department located at the Town office, the Utilities Clerk, and Billing Clerk functions. It also includes financial support allocations of the Finance Director, Deputy Tax Collector, Collections Specialist, Accountant, and Human Resources and Accounting Specialist. FY23 budget changes include \$1760 in wage allocations and \$5,195 in benefits allocations. Expenses have been increased in the following areas – postage \$250, audit fees \$668, phone utilization \$675, internet services \$206, email archiving \$213, software agreement \$801.

**Sewer Collection – FY22 Budget \$812,834, increase of \$65,537, or 8.77%, over FY22.** The Sewer Collection budget covers operating costs related to the collections system, lift stations, I and I abatement and manhole maintenance. FY23 line item increases include I/I abatement \$5000, manhole maintenance \$400, uniforms \$255, GIS software \$1,000, natural gas \$3,850, electricity \$23,000, fuel \$4,900.

**Sewer Treatment – FY23 Budget \$1,639,539, increase of \$203,068, or 14.14%, over FY22.** The Sewer Treatment budget includes all facility costs of treatment at the new WWTF. General expenses are up \$203,068. Increases include building maintenance \$50,000, outfall dredging \$4,999, industrial pre-treatment \$3,000, SCADA \$2,500, lab testing \$15,000, chemicals \$60,000 due to chemical prices tripling, solids handling \$30,000, natural gas \$10,000, electricity \$30,000, and fuel \$1,800.

**Sewer Debt Service – FY23 Budget \$4,219,591, decrease of \$85,904, or 2.0%, under FY22.** In FY23, the Sewer Fund debt service budget will include the fourth payment on the new Wastewater Facility. The FY23 debt service budget includes reductions in interest from the Jady Hill Phase 2 project of \$18,871 and the WWTF of \$52,414.

**Sewer Capital Outlay – FY23 Budget \$65,330, decrease of \$175,625, or 72.89%, under FY22.** The Sewer Capital Outlay FY23 budget includes \$65,330 for smaller capital projects.

#### **SEWER FUND BOND ARTICLES AND OTHER APPROPRIATIONS**

**Court Street Design - \$510,000 – see CIP Page 27.**

**Sewer Capacity Rehabilitation - \$380,000 – see CIP Page 28.** The second year of this project will complete design and engineering on a solution for the cross country sewer line running from Phinney Lane to High Street.

#### **REVOLVING FUNDS – CATV, EMS, AND RECREATION**

The Town has three Revolving Funds which are non-appropriated funds. This means the funds are managed by the respective departments with revenues coming from fees. The Town uses each revolving fund to support the specific service associated with the fund. The three funds are Recreation Revolving, EMS Revolving Fund and Cable Television PEG Fund. These funds provide funding for various programs and services outside the general fund and therefore have no impact on property taxes. The primary revenues for the Recreation Revolving Fund are program fees and the annual powder keg festival; the EMS Fund EMS revenues, and the Cable Television PEG Revolving Fund, Franchise Fee revenues. Cable TV Fund revenues are split 50/50 with the General Fund. The current cable franchise fee generates approximately \$250,000 per year in gross revenues. In FY23, revenues are estimated at \$140,000 for the CATV fund, and \$500,000 for the EMS Revolving Fund. The FY23 Recreation Revolving Fund revenues have been estimated at \$460,000.

As always, I would like to thank the Town Departments for their efforts and diligence on their FY23 budget submittals. I look forward to working with the Select Board and Budget Recommendations Committee in refining this budget in the coming months.

Respectfully submitted,

Russell Dean  
Town Manager