



Town of Londonderry

FY 2024

Municipal Budget Overview

July 1, 2023 – June 30, 2024

Justin Campo
Finance Director

Michael Malaguti
Town Manager

FY24 Budget Process

- Two public hearings on the budget will take place before the deliberative session currently scheduled for December 5, 2022 and January 16, 2023.
- A deliberative session will be held on February 11, 2023 when voters will finalize budget items.
- Voters will have a choice between the Council's budget (as may be amended at the Deliberative Session) and a "Default Budget".

FY24 Budget Process

The **Default Budget**, as amended in the Town Charter approved in **2021**, is:

- FY23 Adopted Budget, reduced/increased by:
 - Debt Service
 - Contractual items
 - Salary and other employee related costs (CBA's, non-rep)
 - Other obligations previously incurred or mandated by law
 - Reduced by any one-time expenses in the FY23 Operating Budget

General Fund Budget

- FY 23 Approved Budget - \$ 36,233,393
 - FY 24 Default Budget - \$ 37,702,319
 - FY 24 Proposed TM Budget - \$ 37,701,165
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- Default’s increase is 4.04% over FY23
 - Proposed TM Budget is \$1,114 below default
 - Municipal Cost Index is up 9.14%
 - CPI is up 8.1%
 - \$422,920 in Department asks rejected from TM budget

Increases to Default

- Waste Management - \$212,071
- Health insurance - \$785,561
- Other increases:
 - Contractual (CBA) - \$542,102
 - Contractual (other) - \$91,850
 - Contractual (non-health benefits) - \$81,180
 - Utilities - \$22,697
 - P&L Insurance - \$10,521

Reductions from Default

- NHRS (208,925)
- Debt service (68,131)

Estimated Revenues

General Fund Operating Budget

Description	FY23	FY24
Yield/Gravel Tax	\$ 15,000	15,000
Sewer Revenue	\$ 2,849,912	3,075,340
MHT PILOT	\$ 742,668	757,522
Interest & Costs – Property	\$ 175,000	175,000
Licenses/Fees	\$ 9,012,750	9,014,250
State Aid	\$ 2,568,391	2,584,438
Interest on Investments	\$ 221,000	221,000
Insurance/Misc. Revenues	\$ 104,000	104,000
Transfer from CR & Trust Funds	\$ 227,986	202,286
Building Permit Income	\$ 450,000	500,000
Departmental Income	\$ 1,664,400	1,725,900
Total Non-Property Tax Revenues:	\$ 18,011,107	18,374,736
Total Non-Property Tax Revenues (less Sewer):	\$ 15,161,195	15,299,396

Budgetary Challenges

- Increasing demand
- Rising cost of goods and services
- Increasing complexity
- State/federal mandates
- Labor market

Town Manager's Proposed Operating Budget

- 1) Freeze then eliminate or repurpose 4 unfilled PD positions
- 2) Utilize savings to reinforce underfunded lines:
 - 1) Police: Vehicle (\$62,756+) and station (\$56,000+) maintenance
 - 2) DPW/Engineering: Eng'r/management services (\$51,290+), vehicle maintenance (\$50,000+), roadway maintenance (\$80,000+), salt (\$50,000+), sand (\$25,000+), solid waste(carts, dropoff ctr., hazardous waste) (\$83,000+)
 - 3) LFD: Safety program (gear) (\$12,000+), vehicle repairs/supplies (\$41,000+), training (\$30,000+).
- 3) Realign under-expended lines to historically overspent lines
- 4) Move lines where they belong
- 5) Cut \$38,980 from Cable

Good news

- Fuel contracts
- 35 Gilcreast (2022 Article # 17)
- Rooms and meals
- Opioid settlements (\$106,095.81)
- \$694,000 reduction in debt service coming in FY25

Capital Reserve/Maintenance Trust Funds

- **Capital Reserves: Pillsbury Cemetery** (\$75k (\$25k UFB)), **Cable Equipment** (\$32.5k), **Fire Equipment** (\$100k (\$50k UFB)), **Recreation** (\$10k)
- **Expendable Maintenance Trust: \$180k (\$90k UFB)**
- **Cyber security capital reserve: \$25k**
- **Roadway maintenance: \$300k**
- **Master plan: Taking year off**

Other Warrant Articles

Monetary Items

- LPEA union contract
- Full time librarian
- DPW vehicles

Non-monetary Items

- Treasurer amendment
- Water system upgrade test vote

General Fund Budget

Proposed Use of Undesignated Fund Balance (UFB):

Fire Dept Equipment CRF:	\$50,000
Expendable Maintenance TF	\$90,000
Pillsbury Cemetery	\$25,000
TOTAL:	\$165,000

Current UFB Balance~(budgetary, 6/30/23):	\$5,085,709
FY24 Minimum Reserves* (5%):	\$1,878,738
FY24 Available Use (per TOL policy)*:	\$3,206,971
FY24 Available Use (per DRA)	\$(773,324)
FY24 Available Use (per GFOA)	\$(1,176,751)

*Auditors are recommending an increase to the minimum reserve requirements, Town is currently below the recommended guidelines for New Hampshire Department of Revenue (NH DRA) and the Governmental Finance Officer Association (GFOA)

*Includes use of \$200,000 in UFB per Taxpayer Relief Act

Overlay/Veteran's Exemptions

- Fund Overlay Account at **\$171,000**
- Fund Veterans' Tax Credits at **\$886,500** to maintain exemptions at maximum level
 - Increase of \$248,500
- Elderly tax exemption

Tax Rate Setting Process

- **How the tax rate is set:**
 - Voters approve budget and warrant articles in March
 - Valuation is complete in October based on April 1 values
 - State revenues announced in October; other revenues revised
 - DRA sets rate in October/November
 - Tax bills sent out

Total Appropriations Analysis

- 2023 total appropriations: \$38,597,203
- 2024 proposed total appropriations: \$38,948,024
- Increase \$350,821
- Percent increase .91%
- Increase with use of UFB \$185,821
- Percent increase with use of UFB .48%

FY 2024 Budget & Beyond

Future Considerations for Town Services

- Lion's Hall
- Sewer and water infrastructure
- DPW facility
- Cemetery
- Drop off center

FY24 Town Budget Budget Review Schedule

- Budget Workshop: **11/14/22, 11/21/22**
- Preliminary Budget Approval/Public Hearing: **12/5/22**
- Bond Public Hearing /Warrant Approval: **12/19/22**
- Bond Petitioned Warrant Articles Deadline: **1/6/23**
- Petitioned Warrant Articles Deadline: **1/10/23**
- Final Public Hearing / FY24 Budget & Warrant Adoption: **1/16/23**
- Deliberative Session: **2/11/23**
- Town Meeting/Budgetary Mtg: **3/14/23**