



TOWN COUNCIL – AGENDA REQUEST FORM

THIS FORM WILL BECOME PART OF THE BACKGROUND INFORMATION USED BY THE COUNCIL AND PUBLIC

Please submit Agenda Request Form, **including back up information, 8 days prior** to the requested meeting date. **Public Hearing requests must be submitted 20 days prior to requested meeting date to meet publication deadlines** (exceptions may be authorized by the Town Manager, Chairman/Vice Chair).

MEETING INFORMATION

Date Submitted: October 5, 2017

Date of Meeting: October 12, 2017

Submitted by: Submitted by Town Manager Eileen Cabanel and Finance Director Paul T. Micali

Department:

Time Required: 20 minutes

Speakers:

Background Info. Supplied: Yes: No:

CATEGORY OF BUSINESS (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Appointment:	<input type="checkbox"/>	Recognition/Resignation/Retirement:	<input type="checkbox"/>
Public Hearing:	<input type="checkbox"/>	Old Business:	<input checked="" type="checkbox"/>
New Business:	<input type="checkbox"/>	Consent Agenda:	<input type="checkbox"/>
Nonpublic:	<input type="checkbox"/>	Other:	<input type="checkbox"/>

TITLE OF ITEM

MS-434 Review [Tabled at the September 28, 2017, Town Council meeting]

DESCRIPTION OF ITEM

Town Council will be presented with the details of the undesignated fund balance as it relates to the 2017 MS-434.

REFERENCE (IF KNOWN)

RSA:	Warrant Article:
Charter Article:	Town Meeting:
Other:	N/A

EQUIPMENT REQUIRED (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Projector:	<input type="checkbox"/>	Grant Requirements:	<input type="checkbox"/>
Easel:	<input type="checkbox"/>	Joint Meeting:	<input type="checkbox"/>
Special Seating:	<input type="checkbox"/>	Other:	<input type="checkbox"/>
Laptop:	<input type="checkbox"/>	None:	<input type="checkbox"/>

CONTACT INFORMATION

Name:	Eileen Cabanel	Address:	6 Baboosic Lake Road
Phone Number:	424-2331	Email Address:	ecabanel@merrimacknh.gov

APPROVAL

Town Manager: Yes No: Chair/Vice Chair: Yes No:

Memo



TO: Town Council
ATTN: Town Manager Eileen Cabanel
FROM: Finance Director Paul T. Micali
DATE: September 22, 2017

RE: MS-434 revised

Finance is currently having the Town's June 30, 2016 fiscal year-end audit. During this review Finance has been able to determine the estimated pre-audit year end Undesignated Fund balance. As of today Finance is projecting to increase the Undesignated Fund balance of approximately \$597 thousand. The chart below is a summary of Fund balance:

Beginning Fund Balance as of June 30, 2016		6,643,965.00
Additions To fund Balance		<u>596,773.00</u>
Estimated Fund balance as of June 30, 2017		<u>7,240,738.00</u>
Fund Balance used for Tax Relief:		<u>(450,000.00)</u>
Projected fund balance December 31, 2017		<u>6,790,738.00</u>

Some uses for fund balance as mentioned in the attached Fund Balance Retention Policy.

Recommended Utilization from Fund Balance Retention:

Excess Balance (over prescribed level)

- i. Emergency appropriations
- ii. Capital Projects
- iii. Transfers to Capital Reserves
- iv. Reduction of the tax rate for the ensuing year
- v. Any other nonrecurring appropriation as deemed appropriate by the Council

Items ii and iii require a separate warrant article on the upcoming Town Warrant in April. Item iv would require a vote of the Town Council to include on the MS-434 (attached) Revised Estimated Revenues.

Some suggestions for using the Fund Balance would be:

- To help offset the bond coupled with the \$650,000 for the Public Safety Complex (warrant article needed)
- Move money into the Capital Reserve Funds to be used at a later date (warrant article needed).
- Reduction of taxes. Depending on the amount the council wants to give back I would suggest a phased in approach to stabilize the tax rate over several years. On the next page you will find a chart showing the effect on the tax rate in \$50,000 increments up to \$250,000.

Below you will find projected level of fund balance:

	2013	2014	2015	2016	2017
Unreserved Fund Balance AS OF 6/30/XX	2,627,604	3,306,361	5,092,764	6,643,965	7,240,398
%	3.33%	4.02%	6.06%	7.41%	8.03%
4% fund balnce over (under)					\$ 3,607,488 \$ 3,632,910
6% fund balance over (under)					\$ 5,411,232 \$ 1,829,166
8% fund balance over (under)					\$ 7,214,975 \$ 25,423

Return of Fund Balance effect on tax rate:

Fund balance used	Effect on Tax Rate
\$ 50,000	0.01
\$ 100,000	0.03
\$ 150,000	0.04
\$ 200,000	0.06
\$ 250,000	0.07

At this time I am projecting that the Municipal Tax Rate will be \$4.92:

	2017 est	
	<u>Tax</u>	<u>Rate</u>
<u>Municipal</u>		
Appropriations	38,198,873	
Estimated revenues	(18,924,925)	
Tax overlay	425,000	
Highway Garage Proceeds	(3,300,000)	
General Fund surplus:		
Designated by ballot vote		
Property tax relief	(450,000)	
Veterans exemptions	681,800	
Property tax levy	16,630,748	<u>4.92</u>

Town of Merrimack
Summary of Changes to Unassigned Fund Balance
As of June 30, 2017

	Variance over (under)	
Revenues	2016-17 Budget	
Interest	88,659	
Current Use	(39,535)	
Auto registrations	833,914	
Insurance Rebates	(14,905)	
Amb Fees	164,121	
Building Permits	26,064	
Highway Block Grant	14,156	
Sales of Property & Equipment	86,524	
Misc/ Other Revenue	(19,588)	
Interest and penalties on Taxes	(128,338)	
Total Revenues over Budget		1,011,072
Appropriations		
Fire - Salaries to include benefits	229,978	
Police - Salaries to include benefits	163,235	
Legal	54,248	
Street Lights	68,531	
Tires/Refrig/Ac/Electronics net revenue	(27,333)	
Day Camp - net revenue	(15,894)	
General Insurance	(10,846)	
Elections	(26,945)	
Comp Absences	(26,884)	
Vehicle Fuel	66,506	
Solid Waste - Tipping fees	(82,559)	
Misc.	(59,400)	
Total Appropriation savings		332,637
Tax overlay		(746,936)
Increase to fund balance		596,773



Revised Estimated Revenues
Merrimack
(RSA 21-J:34)

For Assistance Please Contact:
NH DRA Municipal and Property Division
 Phone: (603) 230-5090
 Fax: (603) 230-5947
<http://www.revenue.nh.gov/mun-prop/>

Preparer's Certification		
Name	Position	Signature

This form must be signed, scanned, and uploaded to the Municipal Tax Rate Setting Portal:
<https://www.proptax.org/>

Revenues

Account Code	Source of Revenue	Warrant Article #	Estimated Revenue
Taxes			
3120	Land Use Change Tax - General Fund	3	\$75,000
3180	Resident Tax		\$0
3185	Yield Tax	3	\$6,250
3186	Payment in Lieu of Taxes	3	\$5,300
3187	Excavation Tax	3	\$2,000
3189	Other Taxes	3	\$400,000
3190	Interest and Penalties on Delinquent Taxes	3	\$229,105
9991	Inventory Penalties		\$0

Account Code	Source of Revenue	Warrant Article #	Estimated Revenue
Licenses, Permits, and Fees			
3210	Business Licenses and Permits		\$0
3220	Motor Vehicle Permit Fees	3	\$4,900,000
3230	Building Permits	3	\$135,000
3290	Other Licenses, Permits, and Fees	3	\$288,086
3311-3319	From Federal Government	3	\$997,200
State Sources			
3351	Shared Revenues	3	\$1,309,095
3352	Meals and Rooms Tax Distribution		\$0
3353	Highway Block Grant	3	\$576,321
3354	Water Pollution Grant		\$44,846

3355	Housing and Community Development			\$0
3356	State and Federal Forest Land Reimbursement			\$0
3357	Flood Control Reimbursement			\$0
3359	Other (Including Railroad Tax)	3		\$527,133
3379	From Other Governments			\$0
Charges for Services				
3401-3406	Income from Departments	3		\$6,551,243
3409	Other Charges			\$0
Miscellaneous Revenues				
3501	Sale of Municipal Property	3		\$11,000
3502	Interest on Investments	3		\$154,850
3503-3509	Other	3		\$49,295
Interfund Operating Transfers In				
3912	From Special Revenue Funds			\$0
3913	From Capital Projects Funds	3		\$125,000
3914A	From Enterprise Funds: Airport (Offset)			\$0
3914E	From Enterprise Funds: Electric (Offset)			\$0
3914O	From Enterprise Funds: Other (Offset)			\$0
3914S	From Enterprise Funds: Sewer (Offset)			\$0
3914W	From Enterprise Funds: Water (Offset)			\$0
3915	From Capital Reserve Funds	3		\$2,533,809
3916	From Trust and Fiduciary Funds	3		\$3,500
3917	From Conservation Funds			\$0
Other Financing Sources				
3934	Proceeds from Long Term Bonds and Notes	,2		\$3,300,000

Revised Estimated Revenues Summary		Merrimack	
Subtotal of Revenues			\$22,224,033
Unassigned Fund Balance (unreserved)		\$7,240,738	
Less Emergency Appropriations (RSA 32:11)		\$0	
Less Voted from Fund Balance		\$0	
Less Fund Balance to Reduce Taxes		\$450,000	
Fund Balance Retained		\$6,790,738	
Total Revenues and Credits			\$22,674,033

Requested Overlay	\$425,000
--------------------------	------------------