



# 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: September 4, 2018  
Submitted by: Finance Director Paul T. Micali  
Department: Finance  
Speakers: Paul T. Micali

Date of Meeting: September 13, 2018  
Time Required: 20 minutes  
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"/>
<b>Public Hearing:</b>	<input type="checkbox"/>	Old Business:	<input type="checkbox"/>
New Business:	<input checked="" type="checkbox"/>	Consent Agenda:	<input type="checkbox"/>
Nonpublic:	<input type="checkbox"/>	Other:	<input type="checkbox"/>

## TITLE OF ITEM

Review of the MS-434 Revenue Report

## DESCRIPTION OF ITEM

The Town Council to confirm the Undesignated Fund Balance to be used to offset the tax rate.

## 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:	<u>Paul T. Micali</u>	Address:	<u>8 Baboosic Lake Road</u>
Phone Number:	<u>424-7075</u>	Email Address:	<u>pmicali@merrimacknh.gov</u>

## APPROVAL

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

Hold for Meeting Date: \_\_\_\_\_

# Memo



TO: Town Council  
ATTN: Town Manager Eileen Cabanel  
FROM: Finance Director Paul T. Micali  
DATE: September 6, 2018  
  
RE: MS-434

Finance is currently having the Town's June 30, 2018 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 \$773 thousand. The chart below is a summary of Fund balance:

Undesignated Fund balance as of 6/30/17	7,240,738.00
Additions To fund Balance	<u>772,618</u>
Estimated Fund balance as of June 30, 2018	<u>8,013,356.00</u>
Fund Balance used for Tax Relief:	<u>(450,000.00)</u>
Projected fund balance December 31, 2018	<u>7,563,356.00</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	2018
Unreserved Fund Balance	2,627,604	3,258,678	5,084,882	6,606,894	7,219,234	7,563,356
AS OF 6/30/XX						
%	3.33%	3.97%	6.05%	7.50%	7.89%	7.97%
4% fund balance						\$ 3,794,406
over (under)						\$ 3,768,950
6% fund balance						\$ 5,691,609
over (under)						\$ 1,871,747
8% fund balance						\$ 7,588,812
over (under)						\$ (25,456)

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 \$5.10:

	2018 est.	Rate
Appropriations	34,511,890	
Estimated revenues	(17,677,882)	
Tax overlay	375,000	
General Fund surplus:		
Property tax relief	(450,000)	
Veterans exemptions	695,000	
Property tax levy	17,454,007	
Valuation for state property tax rate	3,419,436.486	5.10