

Budget Message FY2020

I am pleased to present the annual budget to the Budget Committee for FY 2020.

We have prepared this budget in accordance with the policy instructions given by the Board of Selectmen. The Board, in its policy direction, looked for as close to level funding as could be achieved. The budget submitted today meets that goal, with an overall increase of under 1%, most of which is contractually obligated. On a base budget of \$23,554,583 we have added \$164,930, which is as lean as could be produced. There are some things to note relative to that small amount.

1. There are 53 pay periods in 2020, which is reflected in higher contractual personnel costs.
2. The increase of under 1% also reflects contractual increases for the SSEA and the Professional Firefighters, whose contracts were approved by voters.
3. The submitted budget, as is typically the case at the start of the budget process, is carrying last years health care number. We will amend once that number comes in from the Health Trust. We are committed to the Health Trust, and there has been no appetite to change direction in that commitment. Consequently we are obligated to accept the number and incorporate it into the budget document once it comes in. We are moving health care costs into a single line in 2020, and while we are showing the health care number in departmental budgets this will be the last year we do so.

This proposed budget gives increased allocations to both police and fire overtime, although both were cut below their original requests. It has been our position that both of those allocations are effectively contractual. Unless otherwise advised by the Board they will be carried as such in to the default budget.

The independent audit will be with us any day. In advance of the delivery of that audit I have asked the audit firm to supply us with the unexpended fund balance number, which they have done. That number is \$7,600,025. The annual financial report gives additional detail on the history of fund balance, but the numbers show a three year spend of \$5,820,000, of which \$4,745,000 was used for tax rate stabilization, and \$1,075,000 used for capital purchases. From a high of \$9,165,185 in 2016 the spend of \$5,820,000 would have left us with a number of \$3,345,185 in fund balance had we not replenished this account. So despite spending close to \$6,000,000 of that amount we still have \$7.6 million in fund balance. That is a notable achievement.

The budget in 2018 gave a large subsidy to water and sewer that is outlined in the separate water and sewer reports given produced annually. Starting in 2019 the Board voted to close this subsidy by raising water and sewer rates for the first time since 2012. We are continuing to evaluate the results of that increase, and will have some harder data closer to the end of the year. For FY 2019 we will experience only three quarters of revenue at the higher rate, and will have to account for lost pumpage that comes from decreased demand at higher prices. That decreased demand makes seeking additional sources of water revenue both important, and logistically feasible. The Board of Selectmen have made the decision to administratively merge the Water and Sewer Departments, saving budgetary dollars, as there will be

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one Superintendent instead of two. This is now reflected within the budget requests from both Departments.

The Board of Selectmen will have active contract discussions with two of the four municipal unions ongoing, with a bit more time needed to come to conclusion on those negotiations. It should be noted that two of the four contracts were defeated by the voters in 2019, meaning that the 2019 budget contained no increases for the SEA and the SPA.

We have prepared the 2020 CIP, which has been submitted to you. It is an important document for the community and will guide us as we contemplate future capital spending needs. I have supplied a seven-year analysis of Seabrook Capital spending, and a CIP supplemental document. We have gathered all of the human service requests for 2020, and that number is \$122,341.

We have submitted a budget that attempts to meet the needs of Seabrook residents and taxpayers while maintaining the current level of outstanding service. This budget holds the line and through the Board of Selectmen hearings has attempted to address several areas of concern:

1. The Police request for additional patrolmen and dispatchers. We are filling a vacant dispatch position that will bring us up to full contingent, but even at full contingent there is severe strain on existing personnel. Dispatchers are being frequently held over and are finding it difficult to schedule earned time off. We have had similar issues with patrolman, with grievances being filed, and employee frustration building. The Board of Selectmen added one dispatcher and one patrolman, authorized to begin on December 1 of 2020.
2. Mr. Starkey seeks to upgrade part time personnel that hold important licenses critical for the continuation of trash pickup by Seabrook personnel. The Board of Selectmen, through their budgetary process, has added two full time employees to the DPW roster from the ranks of part time employees. These positions are authorized to begin on December 1, 2020, minimizing the impact in the 2020 budget.
3. The Fire Department will make a request for additional personnel through the warrant article process.
4. We are working to rapidly develop a full list of warrant articles, which will be ready very shortly.

I would like to thank my staff for all of the hard work that has gone into preparation of the municipal budget. Our Finance Manager Carrie Fowler, along with Morgan Cogdill, has worked hard to produce this budget. Our Deputy Town Manager Kelly O'Connor has worked diligently to prepare the documents for the Budget Committee. My thanks to Procurement Manager Shaylia Marquis, who worked to prepare our CIP book. All of our Department Heads have worked very hard to make this budget process a smooth one, even when they hoped for different results. Seabrook is blessed with top quality professionals serving our citizens.