
TOWN OF MILFORD FINANCE DEPARTMENT

TO: BUDGET ADVISORY COMMITTEE
FROM: JACK SHEEHY, DIRECTOR OF FINANCIAL OPERATIONS
SUBJECT: 2011 BUDGET NARRATIVE, FINANCE DEPARTMENT
DATE: 9/8/2010

We are projecting a 4.7% increase (+\$12,079) over 2010 in the Finance and Accounting and Tax Collector's operating budgets. The main area of increase is payroll where we see an increase in salaries due to the offset of the employee increased contribution to health insurance and a projected 2% increase in April of 2010. The Finance Department has three full time employees and one part time employee at 30 hours per week. Part time, temporary help is budgeted to fill in for the Tax Collector for vacations and conferences. Overtime payroll is almost never used.

We project an increase of 7.8% (+\$153,254) in the Employee Benefits Operating Budget. This budget encompasses all the health insurance, dental insurance, life insurance, FICA & Medicare taxes, NH Retirement, and workers compensation insurance benefits for all of the employees paid from the General Fund Operating Budget. The main areas of increase are health insurance and NH Retirement. The narrative to the Board of Selectmen, which you have received, contains the reasoning for these increases.

Debt payments are decreasing by 9.6% (-\$66,476). The total debt decrease is buffered by a \$15,000 budget line for TAN's. We are forecasting a need to borrow Tax Anticipation Notes (TAN's) in June of 2011 to meet our cash obligations which will result in \$15,000 in interest and fees. We are predicting a cash shortfall in June of 2011, due to a lower fund balance, the decrease in revenues, and the decrease in state revenues. During the last two years, we were barely able to meet our cash demands in June and next June we see a need for a short term borrowing of \$3 million prior to the bulk of the first tax billing deposits.

TOWN OF MILFORD

PROJECTION # 11001 - 2010 BUDGET BY DEPARTMENT - LEVEL 1

OPERATING BUDGET -DRAFT

FUND: GENERAL FUND

FUNCTION: GENERAL GOVERNMENT

DEPT: FINANCE & ACCOUNTING

FUND: GENERAL FUND

ACCOUNT	DESCRIPTION	2009 Adopted Budget	2009 Actual	2010 Adopted Budget	2010 Expended to Date	2011 PROPOSED	Percent Change
ORG #11202 - FINANCE-OP BUDGET							
SALARIES & WAGES							
11202 - 511000	- WAGES - FULL TIME	113,336	113,821	114,177	79,422	117,887	3.2 %
11202 - 512000	- WAGES - PART TIME & TEMP	26,681	25,798	25,880	17,942	26,268	1.5 %
11202 - 513000	- WAGES - ELECTED OFFICIALS	2,200	2,200	2,200	1,100	2,200	0.0 %
11202 - 514000	- WAGES - OVERTIME	350	8	350	0	100	(71.4%)
TOTAL SALARIES & WAGES		\$142,567	\$141,827	\$142,608	\$98,464	\$146,455	2.7 %
PURCHASED SERVICES							
11202 - 530100	- AUDITING SERVICES	17,000	16,500	17,500	0	18,500	5.7 %
11202 - 531200	- CONSULTING SERVICES	235	183	200	183	200	0.0 %
11202 - 534000	- BANK SERVICES	14,304	15,219	15,000	13,351	16,500	10.0 %
11202 - 539100	- TRAINING/STAFF DEVELOPMENT	5,350	1,059	4,850	1,293	4,650	(4.1%)
11202 - 556000	- DUES & MEMBERSHIPS	275	320	350	145	360	2.9 %
11202 - 558100	- TRAVEL/MILEAGE REIMBURSEMENTS	680	636	680	560	680	0.0 %
TOTAL PURCHASED SERVICES		\$37,844	\$33,917	\$38,580	\$15,532	\$40,890	6.0 %
SUPPLIES & MATERIALS							
11202 - 562000	- OFFICE SUPPLIES	7,400	5,801	7,050	3,728	7,050	0.0 %
11202 - 562500	- POSTAGE	1,800	1,429	1,800	799	1,600	(11.1%)
11202 - 567000	- BOOKS AND PERIODICALS	200	99	200	102	200	0.0 %
11202 - 568450	- CASH REGISTER UNDERAGE	0	1	0	0	0	0.0 %
TOTAL SUPPLIES & MATERIALS		\$9,400	\$7,330	\$9,050	\$4,629	\$8,850	(2.2%)
TOTAL #11202 - FINANCE & ACCOUNTING		\$189,811	\$183,074	\$190,238	\$118,625	\$196,195	3.1 %

TOWN OF MILFORD

PROJECTION # 11001 - 2010 BUDGET BY DEPARTMENT - LEVEL 1

OPERATING BUDGET -DRAFT

FUND: GENERAL FUND

FUNCTION: GENERAL GOVERNMENT

DEPT: TAX COLLECTION

FUND: GENERAL FUND

ACCOUNT	DESCRIPTION	2009 Adopted Budget	2009 Actual	2010 Adopted Budget	2010 Expended to Date	2011 PROPOSED	Percent Change
ORG #11222 - TAX COLLECTING - OP BUDGET							
SALARIES & WAGES							
11222 - 511000 - WAGES - FULL TIME		44,230	44,416	44,545	32,153	51,622	15.9 %
11222 - 512000 - WAGES - PART TIME & TEMP		2,369	1,694	2,255	2,263	1,500	(33.5%)
TOTAL SALARIES & WAGES		\$46,599	\$46,111	\$46,800	\$34,417	\$53,122	13.5 %
PURCHASED SERVICES							
11222 - 539100 - TRAINING/STAFF DEVELOPMENT		1,350	1,152	1,350	968	1,150	(14.8%)
11222 - 556000 - DUES & MEMBERSHIPS		40	20	40	20	40	0.0 %
11222 - 557000 - RECORDING FEES		6,500	7,402	7,500	5,881	7,500	0.0 %
11222 - 558100 - TRAVEL/MILEAGE REIMBURSEMENTS		552	569	552	632	552	0.0 %
11222 - 559000 - OTHER CONTRACTED SERVICES		750	1,005	750	389	750	0.0 %
TOTAL PURCHASED SERVICES		\$9,192	\$10,148	\$10,192	\$7,890	\$9,992	(2.0%)
SUPPLIES & MATERIALS							
11222 - 562000 - OFFICE SUPPLIES		2,000	1,432	2,000	865	2,000	0.0 %
11222 - 562500 - POSTAGE		6,188	5,574	6,188	3,388	6,188	0.0 %
11222 - 568450 - CASH REGISTER UNDERAGE		0	20	0	0	0	0.0 %
TOTAL SUPPLIES & MATERIALS		\$8,188	\$7,025	\$8,188	\$4,252	\$8,188	0 %
TOTAL #11222 - TAX COLLECTION		\$63,979	\$63,285	\$65,180	\$46,559	\$71,302	9.4 %

TOWN OF MILFORD

PROJECTION # 11001 - 2010 BUDGET BY DEPARTMENT - LEVEL 1

OPERATING BUDGET -DRAFT

FUND: GENERAL FUND

FUND: GENERAL FUND

FUNCTION: GENERAL GOVERNMENT

DEPT: EMPLOYEE BENEFITS

ACCOUNT	DESCRIPTION	2009 Adopted Budget	2009 Actual	2010 Adopted Budget	2010 Expended to Date	2011 PROPOSED	Percent Change
ORG #11412 - EMPLOYEE BENEFITS-OP BUDGET							
SALARIES & WAGES							
11412 - 519000	- SICK INCENTIVE BUYOUT	60,000	20,287	6,200	1,049	6,200	0.0 %
11412 - 519005	- RETIREMENT/TERMINATION PAY	29,000	61,459	15,000	20,638	15,000	0.0 %
TOTAL SALARIES & WAGES		\$89,000	\$81,746	\$21,200	\$21,687	\$21,200	0 %
EMPLOYEE BENEFITS							
11412 - 521000	- GROUP INSURANCE-HEALTH	878,500	913,247	985,650	635,764	1,086,777	10.3 %
11412 - 521001	- GROUP INSURANCE-DENTAL	30,000	27,546	31,300	18,563	32,088	2.5 %
11412 - 521400	- GROUP INSURANCE-DISABILITY	17,260	19,321	20,000	15,741	20,000	0.0 %
11412 - 521500	- GROUP INSURANCE-LIFE	13,500	16,068	17,000	12,294	17,056	0.3 %
11412 - 521900	- GROUP INSURANCE-OTHER	6,100	5,841	6,000	5,841	6,000	0.0 %
11412 - 522000	- EMPLOYER TAXES-FICA	226,000	215,033	224,928	151,069	222,011	(1.3%)
11412 - 522500	- EMPLOYER TAXES-MEDICARE REG	52,800	50,291	52,717	35,331	52,913	0.4 %
11412 - 522501	- EMPLOYER TAXES-MEDICARE QUAL	25,200	22,978	25,300	14,498	22,947	(9.3%)
11412 - 523000	- RETIREMENT-TOWN	260,400	245,014	253,771	172,576	284,645	12.2 %
11412 - 523001	- RETIREMENT CONTRIBUTION-POLICE	195,100	201,010	212,700	136,580	229,551	7.9 %
11412 - 523002	- RETIREMENT CONTRIBUTION-FIRE	29,700	30,523	33,400	22,336	40,032	19.9 %
11412 - 525000	- UNEMPLOYMENT COMPENSATION INS.	2,484	3,067	3,800	3,747	3,800	0.0 %
11412 - 526000	- WORKERS COMPENSATION	80,930	80,464	82,459	85,657	82,459	0.0 %
11412 - 529001	- EDUCATION REIMB-ALL EMPS.	5,000	0	4,000	1,322	4,000	0.0 %
11412 - 529200	- OTHER EMPLOYEE BENEFITS	2,500	4,245	2,500	1,845	4,500	80.0 %
TOTAL EMPLOYEE BENEFITS		\$1,827,974	\$1,834,648	\$1,955,525	\$1,313,162	\$2,108,779	7.8 %
TOTAL #11412 - EMPLOYEE BENEFITS		\$1,916,974	\$1,916,393	\$1,976,725	\$1,334,849	\$2,129,979	7.8 %

TOWN OF MILFORD

PROJECTION # 11001 - 2010 BUDGET BY DEPARTMENT - LEVEL 1

OPERATING BUDGET -DRAFT

FUND: GENERAL FUND

FUND: GENERAL FUND

FUNCTION: GENERAL GOVERNMENT

DEPT: PROPERTY & LIABILITY INSURANCE

ACCOUNT	DESCRIPTION	2009 Adopted Budget	2009 Actual	2010 Adopted Budget	2010 Expended to Date	2011 PROPOSED	Percent Change
ORG #11802 - PROPERTY & LIABILITY INSURANCE							
PURCHASED SERVICES							
11802 - 548000	- PROPERTY & LIABILITY INS.	108,530	106,200	109,000	71,187	109,000	0.0 %
11802 - 552100	- COVERAGE DEDUCTIBLES	4,000	1,000	4,000	4,000	4,000	0.0 %
TOTAL PURCHASED SERVICES		\$112,530	\$107,200	\$113,000	\$75,187	\$113,000	0 %
TOTAL #11802 - PROPERTY & LIABILITY INSURANCE		\$112,530	\$107,200	\$113,000	\$75,187	\$113,000	0.0 %

TOWN OF MILFORD

PROJECTION # 11001 - 2010 BUDGET BY DEPARTMENT - LEVEL 1

OPERATING BUDGET -DRAFT

FUND: GENERAL FUND

FUND: GENERAL FUND

FUNCTION: DEBT SERVICE

DEPT: DEBT SERVICE

ACCOUNT	DESCRIPTION	2009 Adopted Budget	2009 Actual	2010 Adopted Budget	2010 Expended to Date	2011 PROPOSED	Percent Change
ORG #18002 - GENERAL FUND - DEBT SERVICE							
PRINCIPAL-NOTES & BONDS							
18002 - 600003	- PRIN-BROX PROPERTY BOND	95,000	95,000	95,000	95,000	90,000	(5.3%)
18002 - 600403	- PRIN-POLICE STATION BOND	150,000	150,000	150,000	150,000	150,000	0.0 %
18002 - 600503	- PRIN-MILE SLIP ROAD LAND	120,000	120,000	120,000	120,000	120,000	0.0 %
18002 - 608103	- PRIN-1981 SEWER BOND	150,000	150,000	0	0	0	0.0 %
18002 - 608803	- PRIN-TOWN HALL RENOVATION BOND	60,000	60,000	0	0	0	0.0 %
18002 - 609503	- PRIN-OLD WILTON/PERRY RD.	35,000	35,000	35,000	35,000	0	(100.0%)
18002 - 609704	- PRIN-WEST/OSGD/MASN/PAUL BOND	40,000	40,000	40,000	40,000	35,000	(12.5%)
TOTAL PRINCIPAL-NOTES & BONDS		\$650,000	\$650,000	\$440,000	\$440,000	\$395,000	(10.2%)
INTEREST-NOTES & BONDS							
18002 - 610003	- INT-BROX PROPERTY BOND	32,495	32,495	27,745	27,745	22,995	(17.1%)
18002 - 610403	- INT-POLICE STATION BOND	94,650	94,650	89,100	89,100	83,550	(6.2%)
18002 - 610503	- INT-MILE SLIP RD. LAND	78,360	78,360	73,560	73,560	68,760	(6.5%)
18002 - 618103	- INT-1981 SEWER BOND	7,500	7,500	0	0	0	0.0 %
18002 - 618803	- INT-TOWN HALL RENOVATION BOND	2,346	2,346	0	0	0	0.0 %
18002 - 619503	- INT-OLD WILTON/PERRY RD.	3,850	3,850	1,925	1,925	0	(100.0%)
18002 - 619704	- INT-WEST/OSGD/MASN/PAUL BOND	16,775	16,775	14,795	14,795	12,775	(13.7%)
TOTAL INTEREST-NOTES & BONDS		\$235,976	\$235,976	\$207,125	\$207,125	\$188,080	(9.2%)
PRINCIPAL-CAPITAL LEASES							
18002 - 620598	- 2005 STERLING DUMP TRUCK	23,366	23,366	0	0	0	0.0 %
18002 - 620599	- FIRE ENGINE #3	69,307	69,307	0	0	0	0.0 %
18002 - 620699	- PRIN-SICARD SNOWBLOWER	15,664	15,664	16,523	0	0	(100.0%)
18002 - 620799	- PRIN-2008 DUMP TRK W/PLOW/SAND	25,769	25,769	26,947	26,946	28,178	4.6 %
TOTAL PRINCIPAL-CAPITAL LEASES		\$134,106	\$134,106	\$43,470	\$26,946	\$28,178	(35.2%)
INTEREST-CAPITAL LEASES							
18002 - 630598	- 2005 STERLING DUMP TRUCK	896	896	0	0	0	0.0 %
18002 - 630599	- INTEREST-FIRE ENGINE #3	2,659	2,659	0	0	0	0.0 %

TOWN OF MILFORD

PROJECTION # 11001 - 2010 BUDGET BY DEPARTMENT - LEVEL 1

OPERATING BUDGET -DRAFT

FUND: GENERAL FUND

FUND: GENERAL FUND

FUNCTION: DEBT SERVICE

DEPT: DEBT SERVICE

ACCOUNT	DESCRIPTION	2009 Adopted Budget	2009 Actual	2010 Adopted Budget	2010 Expended to Date	2011 PROPOSED	Percent Change
ORG #18002 - GENERAL FUND - DEBT SERVICE							
18002 - 630699	- INT-SICARD SNOWBLOWER	1,764	1,764	906	0	0	(100.0%)
18002 - 630799	- INT-2008 DUMP TRK W/PLOW/SAND	3,697	3,697	2,520	2,519	1,288	(48.9%)
TOTAL INTEREST-CAPITAL LEASES		\$9,015	\$9,015	\$3,426	\$2,519	\$1,288	(62.4%)
Others							
18002 - 610001	- INT-TANS	1	0	1	0	15,000	1,499,900.0 %
TOTAL Others		\$1	\$0	\$1	\$0	\$15,000	1,499,900.0 %
TOTAL #18002 - DEBT SERVICE		\$1,029,099	\$1,029,098	\$694,022	\$676,590	\$627,546	(9.6%)

TOWN OF MILFORD

PROJECTION # 11001 - 2010 BUDGET BY DEPARTMENT - LEVEL 1

OPERATING BUDGET -DRAFT

FUND: GENERAL FUND

FUND: GENERAL FUND

FUNCTION: DEBT SERVICE

DEPT: DEBT SERVICE

ACCOUNT	DESCRIPTION	2009 Adopted Budget	2009 Actual	2010 Adopted Budget	2010 Expended to Date	2011 PROPOSED	Percent Change
TOTAL DEPARTMENT		3,312,393	\$3,299,049	\$3,039,164	\$2,251,811	\$3,138,022	3.3 %

TOWN OF MILFORD									
GENERAL FUND									
NOTES & BONDS PAYABLE									
DECEMBER 31, 2009									
				1997 Water Main Upgrade/Ext					
	1995 Capital Improvements			West St., Osgood Rd,			2000 Brox Property		
	Old Wilton/Perry Rd Sewer Mains			Spaulding & Mason Rd.			Brox Property Purchase		
	NH Municipal Bond Bank			NH Municipal Bond Bank			Citizen's Bank		
	Payments: Feb & Aug 15			Payments: Feb & Aug 15			Payments: Jan & Jul 15		
	Interest: 5.25%-5.50%			Interest: (4.70%-5.30%)			Interest: (5.0%-5.25%)		
	Amount: \$563,060			Amount: \$764,000			Amount: \$1,400,000		
Year	Principal	Interest	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Interest Rate
2010	35,000	1,925	5.50%	40,000	14,795	5.05%	95,000	27,745	5.00%
2011				35,000	12,775	5.10%	90,000	22,995	5.00%
2012				35,000	10,990	5.15%	90,000	18,495	5.00%
2013				35,000	9,188	5.20%	90,000	13,995	5.10%
2014				35,000	7,368	5.20%	90,000	9,405	5.20%
2015				35,000	5,548	5.25%	90,000	4,725	5.25%
2016				35,000	3,710	5.30%			
2017				35,000	1,855	5.30%			
2018									
2019									
2020									
2021									
2022									
2023									
2024									
2025									
Totals	35,000	1,925		285,000	66,229		545,000	97,360	

TOWN OF MILFORD									
GENERAL FUND									
NOTES & BONDS PAYABLE									
DECEMBER 31, 2009									
2004 Police Station			2005 Mileslip Road						
New Police Station			Land Purchase						
Citizen's Bank			Citizen's Bank						
Payments: Mar & Sep 1			Payments: Feb & Aug 15						
Interest: (3.70%-4.50%)			Interest: (4.0%-4.20%)						
Amount: \$2,925,260			Amount: \$2,300,000			ANNUAL TOTALS			
			Interest			Interest			
Year	Principal	Interest	Rate	Principal	Interest	Rate	Principal	Interest	
2010	150,000	89,100	3.70%	120,000	73,560	4.00%	440,000	207,125	2010
2011	150,000	83,550	3.70%	120,000	68,760	4.00%	395,000	188,080	2011
2012	150,000	78,000	3.70%	120,000	63,960	4.00%	395,000	171,445	2012
2013	150,000	72,450	3.70%	120,000	59,160	4.00%	395,000	154,793	2013
2014	150,000	66,900	3.70%	120,000	54,360	4.00%	395,000	138,033	2014
2015	150,000	61,350	3.75%	120,000	49,560	4.00%	395,000	121,183	2015
2016	150,000	55,725	3.80%	120,000	44,760	4.00%	305,000	104,195	2016
2017	150,000	50,025	3.85%	120,000	39,960	4.00%	305,000	91,840	2017
2018	150,000	44,250	4.00%	120,000	35,160	4.00%	270,000	79,410	2018
2019	150,000	38,250	4.00%	120,000	30,360	4.00%	270,000	68,610	2019
2020	150,000	32,250	4.10%	120,000	25,560	4.00%	270,000	57,810	2020
2021	150,000	26,100	4.20%	120,000	20,760	4.00%	270,000	46,860	2021
2022	150,000	19,800	4.30%	120,000	15,960	4.20%	270,000	35,760	2022
2023	150,000	13,350	4.40%	120,000	10,920	4.20%	270,000	24,270	2023
2024	150,000	6,750	4.50%	120,000	5,880	4.20%	270,000	12,630	2024
2025				20,000	840	4.20%	20,000	840	2025
Totals	<u>2,250,000</u>	<u>737,850</u>		<u>1,820,000</u>	<u>599,520</u>		<u>4,935,000</u>	<u>1,502,884</u>	

FUND BALANCE HISTORY						
	UNRESERVED FUND BALANCE BEGINNING OF THE YEAR	INCREASE (DECREASE) TO FUND BALANCE FROM OPERATIONS	AMOUNT APPROPRIATED FROM FUND BALANCE	AMOUNT USED TO REDUCE TAX RATE	UNRESERVED FUND BALANCE END OF THE YEAR	%
2006	2,424,268	646,180		(250,000)	2,820,448	8.7%
2007	2,820,448	277,053	(180,000)	(229,000)	2,688,501	8.3%
2008	2,688,501	(346,511)	(300,000)	(210,000)	1,831,990	5.2%
2009	1,831,990	199,116	(40,000)	(200,000)	1,791,106	5.1%
FUND BALANCE RETAINAGE % IS CALCULATED AS FOLLOWS:						
FUND BALANCE DIVIDED BY:						
TOWN GROSS APPROPRIATION						
LESS:	WATER & SEWER BUDGETS					
LESS:	NON-RECURRING REVENUES SUCH AS BOND ISSUES AND FEDERAL GRANT FUNDS USED TO OFFSET THE COST OF A PROJECT					
PLUS:	LOCAL & STATE SCHOOL NET APPROPRIATION					
PLUS:	COUNTY APPROPRIATION					