



CITY OF MANCHESTER

Theodore L. Gatsas
Mayor

Budget Supplement

FY 2012 Budget Presentation
March 22, 2012

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City of Manchester, New Hampshire
FY 2013 Budget Summary

	FY 2012 DRA Tax Rate		change-DRA 2012 vs Estimated 2013 Mayor's		FY 2013 Mayor's Budget	
	Expenditures	Revenues	Expenditures	Revenues	Expenditures	Revenues
DEPARTMENTS						
ALDERMEN	\$ 70,000	\$ -	\$ -	\$ -	\$ 70,000	\$ -
ASSESSORS	612,320	787,930	(2,982)	37,985	609,338	825,915
CITY CLERK	994,800	2,290,043	-	96,312	994,800	2,386,355
ECONOMIC DEVELOPMENT OFFICE	205,302	190,466	(750)	(2,000)	204,552	188,466
CITY SOLICITOR	1,108,197	500,000	75,316	190,000	1,183,513	690,000
FINANCE DEPARTMENT	913,992	6,004,527	42,145	(687,438)	956,137	5,317,089
INFORMATION SYSTEMS	1,478,104	127,000	(6,408)	(10,000)	1,471,696	117,000
MAYOR	220,548	15,000	10,000	(15,000)	230,548	-
YOUTH SERVICES	475,955	-	48,000	-	523,955	-
HUMAN RESOURCES	709,981	11,500	-	(7,500)	709,981	4,000
PLANNING & COMMUNITY DEVELOPMENT	1,870,908	2,219,200	57,203	(244,200)	1,928,111	1,975,000
FACILITIES DIVISION	6,029,515	5,473,990	37,208	47,416	6,066,723	5,521,406
TAX COLLECTOR	526,867	14,496,500	-	735,500	526,867	15,232,000
FIRE DEPARTMENT	18,202,963	654,362	661,785	2,613	18,864,748	656,975
POLICE DEPARTMENT	18,658,768	325,306	1,911,435	(8,850)	20,570,203	316,456
POLICE DEPARTMENT - CHARGEBACKS	-	740,321	-	18,983	-	759,304
HEALTH DEPARTMENT - CITY	1,351,018	216,850	-	(3,850)	1,351,018	213,000
HEALTH DEPARTMENT - SCHOOL	1,268,505	2,060,769	54,533	154,186	1,323,038	2,214,955
HIGHWAY DEPARTMENT	15,847,215	4,139,787	-	39,931	15,847,215	4,179,718
WELFARE DEPARTMENT	1,028,342	18,000	-	-	1,028,342	18,000
PARKS & RECREATION	2,980,908	1,063,346	-	52,474	2,980,908	1,115,820
LIBRARY	1,934,863	-	70,000	-	2,004,863	-
SENIOR SERVICES	240,326	12,406	(10,000)	(12,406)	230,326	-
MUNICIPAL COMPLEX	3,062,387	-	(76,387)	150,000	2,986,000	150,000
SUB-TOTAL DEPARTMENTS:	\$ 79,791,784	\$ 41,347,303	\$ 2,871,098	\$ 534,156	\$ 82,662,882	\$ 41,881,459
NON-DEPARTMENTAL ITEMS						
HEALTH INSURANCE	\$ 12,526,594	\$ -	\$ (2,477,804)	-	\$ 10,048,790	\$ -
HEALTH INSURANCE RESERVES	-	-	179,406	-	179,406	-
DENTAL INSURANCE	924,414	-	(197,763)	-	726,651	-
LIFE INSURANCE	76,415	-	150	-	76,565	-
DISABILITY INSURANCE	72,645	-	138	-	72,783	-
WORKERS' COMPENSATION - SALARY	584,000	-	-	-	584,000	-
WORKERS' COMPENSATION - MEDICAL	1,800,000	-	-	-	1,800,000	-
CASUALTY & GENERAL LIABILITY	947,131	-	-	-	947,131	-
FIRE RETIREMENT	3,813,985	-	87,498	-	3,901,483	-
POLICE RETIREMENT	2,825,033	-	319,423	-	3,144,456	-
CITY RETIREMENT	4,020,857	-	801,143	-	4,822,000	-
FICA	2,819,293	-	74,512	-	2,893,805	-
UNEMPLOYMENT	424,900	-	(350,000)	-	74,900	-
TUITION REIMBURSEMENT	50,000	-	-	-	50,000	-
SEVERANCE PAY	700,000	-	200,000	-	900,000	-
SUB-TOTAL BENEFITS:	31,585,267	-	(1,363,297)	-	30,221,970	-
STREET LIGHTING	1,376,576	-	-	-	1,376,576	-
CONTINGENCY/SALARY ADJUSTMENT	1,027,345	-	(277,345)	-	750,000	-
CIVIC CONTRIBUTIONS	140,571	-	2,943	-	143,514	-
SO NH PLANNING	68,434	-	-	-	68,434	-
MPTS	453,000	-	-	-	453,000	-
COMMUNITY IMPROVEMENTS	432,000	-	(432,000)	-	-	-
EMPLOYEE MED SERVICES	40,000	-	-	-	40,000	-
MATURING DEBT	11,434,283	-	492,046	-	11,926,329	-
INT ON MATURING DEBT	6,830,225	-	(562,278)	-	6,267,947	-
SUB-TOTAL NON DEPARTMENTAL:	21,802,434	-	(776,634)	-	21,025,800	-
TOTAL NON-DEPARTMENTAL ITEMS:	53,387,701	-	(2,139,931)	-	51,247,770	-
GENERAL FUND GRAND TOTAL:	\$133,179,485	\$ 41,347,303	\$ 731,167	\$ 534,156	\$133,910,652	\$ 41,881,459
TRANSIT SUBSIDY	\$ 1,073,825	\$ -	\$ -	\$ -	\$ 1,073,825	\$ -
OVERLAY	2,004,574	-	(904,574)	-	1,100,000	-
VETERANS EXEMPTIONS	1,413,680	-	-	-	1,413,680	-
FUND BALANCE SURPLUS	-	1,046,855	-	(1,046,855)	-	-
GRAND TOTAL CITY:	\$137,671,564	\$ 42,394,158	\$ (173,407)	\$ (512,699)	\$137,498,157	\$ 41,881,459
NET CITY APPROPRIATION	\$ 95,277,406	\$ -	\$ 339,292	\$ -	\$ 95,616,698	\$ -
Tax Rate \$ - City	\$ 11.62	\$ -	\$ 0.04	\$ -	\$ 11.66	\$ -
Percentage Change in Tax Rate			0.34%			
GRAND TOTAL COUNTY TAX	\$ 9,512,562	\$ -	\$ -	\$ -	\$ 9,512,562	\$ -
Tax Rate - County	\$ 1.16	\$ -	\$ -	\$ -	\$ 1.16	\$ -
Percentage Change in Tax Rate			0.00%			
SCHOOL DISTRICT	\$150,200,000	\$ 18,661,181	\$ -	\$(2,245,969)	\$150,200,000	\$ 16,415,212
SCHOOL FOOD & NUTRITION	5,796,000	5,796,000	-	-	5,796,000	5,796,000
STATE REVENUE	-	56,761,263	-	-	-	56,761,263
GRAND TOTAL SCHOOL DISTRICT:	\$155,996,000	\$ 81,218,444	\$ -	\$(2,245,969)	\$155,996,000	\$ 78,972,475
NET SCHOOL DISTRICT APPROPRIATION	\$ 74,777,556	\$ -	\$ 2,245,969	\$ -	\$ 77,023,525	\$ -
Tax Rate \$ - School District	\$ 9.18	\$ -	\$ 0.27	\$ -	\$ 9.45	\$ -
Percentage Change in Tax Rate			2.94%			
TOTAL PROPERTY TAXES	\$303,180,126	\$123,612,602	\$ (173,407)	\$(2,758,668)	\$303,006,719	\$120,853,934
NET COMBINED CITY APPROPRIATION	\$179,567,524	\$ -	\$ 2,585,261	\$ -	\$182,152,785	\$ -
Combined Tax Rate	\$ 21.96	\$ -	\$ 0.31	\$ -	\$ 22.27	\$ -
Percentage Change in Tax Rate	23.30%		1.41%		1.41%	
State Education School Tax	\$ 19,688,664	-	\$ 193,223	-	\$ 19,881,887	-
Assessed Valuation (thousands)	8,197,207	-	0	-	8,197,207	-
Assessed Valuation less utilities (thousands)	\$ 8,017,068	-	\$0	-	\$ 8,017,068	-

FY 2012 PROJECTIONS

Surplus / (Deficit)

<u>Department</u>	<u>Revenues</u>	<u>Expenditures</u>	
		<u>Current Forecast</u>	<u>B/(W) Previous Forecast</u>
ALDERMEN	\$ -	\$ -	\$ -
ASSESSORS	\$ -	\$ 64,000	\$ 64,000
PLANNING & COMMUNITY DEVELOPMENT	\$ (250,000)	\$ -	\$ -
CITY CLERK	\$ 20,000	\$ 27,000	\$ -
ECONOMIC DEVELOPMENT OFFICE	\$ 40,000	\$ -	\$ -
CITY SOLICITOR	\$ -	\$ -	\$ -
FINANCE DEPARTMENT	\$ (130,000)	\$ -	\$ -
INFORMATION SYSTEMS	\$ -	\$ -	\$ -
MAYOR	\$ -	\$ -	\$ -
YOUTH SERVICES	\$ -	\$ -	\$ -
HUMAN RESOURCES	\$ -	\$ -	\$ -
TAX COLLECTOR	\$ 150,000	\$ -	\$ -
FIRE DEPARTMENT	\$ -	\$ -	\$ (75,000)
PARKS & RECREATION	\$ -	\$ -	\$ -
POLICE DEPARTMENT	\$ (4,000)	\$ 6,000	\$ (59,000)
HEALTH DEPARTMENT - CITY	\$ -	\$ 60,000	\$ 10,000
HEALTH DEPARTMENT - SCHOOL	\$ (33,000)	\$ 25,000	\$ -
HIGHWAY DEPARTMENT	\$ -	\$ 825,000	\$ 75,000
FACILITIES DIVISION	\$ -	\$ -	\$ -
WELFARE DEPARTMENT	\$ 2,000	\$ -	\$ -
LIBRARY	\$ -	\$ -	\$ -
SENIOR SERVICES	\$ -	\$ -	\$ -
<u>Total</u>	<u>(\$205,000)</u>	<u>\$1,007,000</u>	<u>\$ 15,000</u>
 <u>Non-Departmentals</u>			
CONTINGENCY		\$ 1,025,000	\$ 41,000
SEVERANCE		\$ 52,000	\$ -
UNEMPLOYMENT COMPENSATION		\$ 250,000	\$ -
CITY / STATE RETIREMENT		\$ (625,000)	\$ (475,000)
DENTAL		\$ 200,000	\$ 200,000
<u>Total Non-Departmentals</u>		<u>\$ 902,000</u>	<u>\$ (234,000)</u>
 <u>Grand Total</u>	 <u>(\$205,000)</u>	 <u>\$ 1,909,000</u>	 <u>\$ (219,000)</u>
 Net Surplus		 <u>\$ 1,704,000</u>	 <u>\$ (298,000)</u>

Estimated Health Savings - 2013
Contract Negotiations

	General Fund	Enterprise Funds	Total
TAs Reached (In Budget)			
Patrolmen	\$ 596,108	\$ 21,620	\$ 617,728
Police Supervisors	\$ 158,465		\$ 158,465
Firefighters	\$ 777,475		\$ 777,475
Fire Supervisors	\$ 20,278		\$ 20,278
Non-Affiliates	\$ 669,374	\$ 167,300	\$ 836,674
Library	\$ 44,148		\$ 44,148
Airport	\$ -	\$ 112,874	\$ 112,874
Retirees	\$ 201,480	\$ 35,554	\$ 237,034
Sub Total *	<u>\$ 2,467,328</u>	<u>\$ 337,348</u>	<u>\$ 2,804,676</u>
Potential Additional Savings:			
Police Support Staff	\$ 136,224		\$ 136,224
Welfare	\$ 20,295		\$ 20,295
Highway **	\$ 476,684		\$ 476,684
Nurses	\$ 119,166		\$ 119,166
Parks & Rec **	\$ 71,498		\$ 71,498
Facilities **	\$ 38,594		\$ 38,594
Water Works		\$ 187,136	\$ 187,136
EPD		\$ 105,629	\$ 105,629
COBRA	\$ 2,175		\$ 2,175
	<u>\$ 864,636</u>	<u>\$ 292,765</u>	<u>\$ 1,157,401</u>
Totals	<u><u>\$ 3,331,964</u></u>	<u><u>\$ 630,113</u></u>	<u><u>\$ 3,962,077</u></u>

* The Health Savings associated with TAs reached to date are included in Mayor's General Fund budget as follows:

Police (7 Positions)	\$ 350,000
Fire (12 Positions)	\$ 661,785
Non-Affiliates (4 Positions)	\$ 209,665
Library Union (1 Position)	\$ 35,000
Maintenance Garage	\$ 350,000
Benefits @ 40%	\$ 681,472
Transfer to Health Insurance Reserve	\$ 179,406
	<u><u>\$ 2,467,328</u></u>

** Members of AFSCME Master Contract

Mayor's Budget
Utilization of 2012 Surplus

Net Forecast FY2012 Surplus (March)	\$ 1,704,000
Pre-Pay FY2013 Pension	(1,000,000)
Purchase Second Installment of Toters	(435,000)
Engineering Design for Derryfield	<u>(250,000)</u>
Remaining Estimated FY2012 Surplus	<u>\$ 19,000</u>

Estimated Health Care Costs
FY2013

FY 2012 Budget	12,526,594
Estimated FY12 Savings	<u>(750,000)</u>
	11,776,594
Inflation at 6.5%	765,000
Estimated Savings from Consessions	<u>(2,467,328)</u>
Sub-total	10,074,266
Health Costs for 17 Grant Funded Positions (Police)	210,000
Health Costs for 7 New Positions at Police	85,000
Health Costs for 9 Call Backs at Fire	110,000
Utilization of Health Insurance Reserve *	<u>(430,476)</u>
FY2013 Health Cost Estimate	<u><u>\$10,048,790</u></u>

* Details of Health Insurance Reserve are as follows:

Balance at 6/30/11	\$2,956,000
Estimated FY12 Surplus	<u>750,000</u>
Estimated Balance at 6/30/12	<u><u>\$3,706,000</u></u>

Vehicle Replacement
Department Allocations
(in thousands)

	2010	2011	2012	2013	2014	2015	2016	Total
Fire	\$ 3,000	\$ -	\$ 750	\$ -	\$ 650	\$ 1,300	\$ 200	\$ 5,900
Highway	\$ 3,000	\$ 2,000	\$ 1,500	\$ -	\$ 2,125	\$ 1,250	\$ 1,900	\$ 11,775
Police	*	\$ 263	\$ 300	\$ 400	\$ -	\$ 250	\$ 250	\$ 1,463
Parks	\$ -	\$ 737	\$ 450	\$ 350	\$ 225	\$ 200	\$ 300	\$ 2,262
Other							\$ 350	\$ 350
Total	\$ 6,000	\$ 3,000	\$ 3,000	\$ 750	\$ 3,000	\$ 3,000	\$ 3,000	\$ 21,750

* Assumes \$400,000 of Police Vehicles are purchased with redesignation of a portion of the unissued Strategy Study Bond.

Estimated Selected Cost Items & Tax Cap FY2014

COST ITEMS:

COLA's (1%) & Steps	\$1,365,000
Pension Costs	
2012 Prepayment	1,000,000
Pension on Salary Increase	275,000
Health Insurance Cost	
Inflation @ 6.5%	653,000
Savings from Increasing Employee Contribution to 15%	<u>(500,000)</u>
Selected Cost Items	<u><u>\$2,793,000</u></u>
Percentage Increase on Proposed 2013 City Budget	<u><u>2.0%</u></u>

TAX CAP:

	CPI - Urban	
	<u>Actual FY13</u>	<u>Estimated FY14</u>
2009	(-0.4)%	- %
2010	1.6	1.6
2011	3.2	3.2
<u>2012 (est.)</u>	<u>-</u>	<u>3.0</u>
Total	<u><u>4.40%</u></u>	<u><u>7.8%</u></u>
Three Year Avg.	<u><u>1.47%</u></u>	<u><u>2.6%</u></u>

**City of Manchester
Municipal Complex**

Positions	Number	\$ Budgeted	
Fleet Manager	1	\$ 100,000	
Equipment Maintenance Superintendent II	3	236,207	
Equipment Mechanic II	16	1,021,444	
Equipment Mechanic I	1	55,827	
Equip Service Technician II	1	50,211	
Equip Service Technician I	3	124,272	
Inventory Specialist II	2	114,494	
Mayor's Salary Expense budget	27	1,702,455	\$ 1,702,455
Shop Supervisor (vacancy)	1	47,923	
	28	\$ 1,750,378	
Other Operations Expenses			
Laundry Services		14,050	
Towing Services		1,500	
Maintenance & Repair/ Mach/Equip		35,000	
Vehicle Repairs/Parts		764,065	
Rental of Building		720	
Rental Machinery & Equipment		1,500	
Leases - All		1,345	
Safety		1,700	
Printing, Publishing, Binding		1,700	
Tires & Batteries		179,400	
Minor Apparatus & Tools		12,472	
Custodial Supplies		5,000	
Fire Extinguishers		250	
Natural Gas		114,200	
Electricity		139,934	
Equipment		9,700	
Dues, Fees, & Licenses		1,075	
Total Other Operating Expenses			1,283,611
Total Municipal Complex			\$ 2,986,066

FY12 Anticipated Total Spending:

All Funds	\$ 182,760,000
Average Daily Membership	15,431
Cost Per Pupil	<u>\$ 11,844</u>

FY12 One Time Funds:

Expendable Trust for Health	\$ 3,000,000
Textbook Loan Balance	\$ 660,000
Ed Jobs Grant	\$ 1,674,236
Total FY12 One Time Funds	<u>\$ 5,334,236</u>

FY13 Anticipated Total Spending:

All Funds	\$ 179,500,000
Average Daily Membership	15,392
Cost Per Pupil	<u>\$ 11,662</u>

	<u>FY12 Estimated</u>	<u>FY13 Estimated</u>
General Fund	150,200,000	152,472,584
Expendable Trust	3,000,000	-
Textbook Loan	660,000	-
School Food and Nutrition	5,600,000	5,659,700
Federal and State Grants	18,700,000	17,130,397
Other Special Revenue Funds (Includes Tuition Based Programs, MST Program Funds, Donations, etc.)	4,600,000	4,214,615
Total	<u>182,760,000</u>	<u>\$ 179,477,296</u>

ARRA Funds

Approximately 50% of the budget was allocated to FY10 and 50% to FY11

39 Positions were saved in FY10 and 54 in FY11

25 Building Level Instructional Leader positions were saved in FY10 and FY11

Fiscal Year 2014 Projection
March 19, 2012
Estimated Increases

Estimated Increase in Obligations

Salaries	Increases including COLA (1%) and Step	\$ 3,100,000
Benefits	Increase in Health Insurance claims at (6.5%)	1,000,000
	Other increases including FICA and Retirement due to salary increases	600,000
Debt Service	Reduction in debt payments	(300,000)
Other Line Items	Tuition, Transportation, City Services, etc.	1,000,000
Expenditure Increase Subtotal		<u>5,400,000</u>

Estimated Decrease in Revenue

Operating Tuition	Loss of Auburn Students	365,000
Revenue Decrease Subtotal		<u>365,000</u>

Total Estimated Increase in Funds Needed for FY14

\$ 5,765,000

Assumptions:

- Salary for FY13 will include the elimination of 188.5 positions
 (161 RIF's, 12.5 vacant and 15 retirement positions)
- COLA for FY14 same as City at 1%
- One time funds will not be used for FY13

Updated
03/19/12

Manchester School District - Total
Savings Associated with Plan an Contribution Changes

		07/01/12-06/30/13					
		Status Quo Benefits and Contributions			Proposed Benefits and Contributions		
	Current Enrollment	Premium Equivalents	Employee Contribution	Employer Contribution	Premium Equivalents	Employee Contribution	Employer Contribution
HMO							
Single	284	\$ 880.17	\$ 61.61	\$ 818.56	\$ 781.59	\$ 97.70	\$ 683.89
Two Person	219	\$ 1,716.16	\$ 120.13	\$ 1,596.03	\$ 1,523.95	\$ 190.49	\$ 1,333.46
Family	495	\$ 2,301.40	\$ 161.10	\$ 2,140.30	\$ 2,043.64	\$ 255.46	\$ 1,788.18
		\$ 21,180,004	\$ 1,482,603	\$ 19,697,401	\$ 18,807,821	\$ 2,351,002	\$ 16,456,819
POS							
Single	166	\$ 949.88	\$ 137.73	\$ 812.15	\$ 843.49	\$ 122.31	\$ 721.18
Two Person	169	\$ 1,854.29	\$ 268.87	\$ 1,585.42	\$ 1,646.61	\$ 238.76	\$ 1,407.85
Family	207	\$ 2,489.54	\$ 360.98	\$ 2,128.56	\$ 2,210.71	\$ 320.55	\$ 1,890.16
		\$ 11,836,678	\$ 1,716,301	\$ 10,120,378	\$ 10,510,961	\$ 1,524,093	\$ 8,986,868
HSA							
Single	10	\$ 740.88	\$ 51.86	\$ 689.02	\$ 740.88	\$ 92.61	\$ 648.27
Two Person	4	\$ 1,452.55	\$ 101.68	\$ 1,350.87	\$ 1,452.55	\$ 181.57	\$ 1,270.98
Family	5	\$ 1,680.75	\$ 117.65	\$ 1,563.10	\$ 1,680.75	\$ 210.09	\$ 1,470.66
		\$ 259,473	\$ 18,163	\$ 241,310	\$ 259,473	\$ 32,434	\$ 227,039
		\$ 33,276,155	\$ 3,217,066	\$ 30,059,089	\$ 29,578,255	\$ 3,907,529	\$ 25,670,726

EMPLOYER SAVINGS ASSOCIATED WITH PLAN CHANGES: \$ 3,339,614
 EMPLOYER SAVINGS ASSOCIATED WITH CONTRIBUTION CHANGES: \$ 1,048,749
 \$ 4,388,363

Revenue Projection					
		FY13	FY12		
		<u>Projection</u>	<u>Budget</u>		<u>Change</u>
Tuition-Operating		\$ 9,200,000	\$ 9,663,180	\$ (463,180)	
Tuition-Capital Costs (Hooksett, Auburn, Candia)		1,492,298	1,530,221	(37,923)	
Student Activities		45,000	45,000	-	
Interest Income Operations		191,000	191,000	-	
Impact Fees		555,000	555,000	-	
Indirect Cost		300,000	300,000	-	
Other Local Sources		30,000	30,000	-	
School Building Aid		1,946,344	1,918,121	28,223	
Area Vocational School		714,000	595,834	118,166	
Catastrophic Aid		551,570	551,570	-	
Education Jobs Grant		-	1,674,236	(1,674,236)	
ROTC		90,000	90,000	-	
Medicaid		1,300,000	1,300,000	-	
Fiscal Year 2012 Surplus		-	217,018	(217,018)	
Subtotal		\$ 16,415,212	\$ 18,661,180	\$ (2,245,968)	