The Municipal Budget

- **Policy Document**
  - Reflects Priorities
  - Basis for Accountability
  - Establishes Legal Spending Authority

- **Financial Plan**
  - Establishes Funding Requirements
  - Allocates Available Resources

- **Operational Guide**

- **Communication Tool**
The Budget Document

- Budget Summaries
- Budget Analysis
- Economic & Budget Data
- Appropriations Detail
- Debt & CIP Information
- Organizational Background
Approach to Budget Development

- Review all core service deliverables
- Avoid across-the board cuts
- Services reflect community priorities
- Fees support programs w/ individual benefit
- Budget adjustments are sustainable
- Recognize services are provided by people
Budget Development
Factors

Proposed Budget
Budget Development Factors

Proposed Budget

Community Master Plan
Budget Development Factors

- Contractual Obligations
- Community Master Plan

Proposed Budget
Budget Development Factors

- Contractual Obligations
- State & Federal Mandates
- Community Master Plan

Proposed Budget
Budget Development Factors

- Economic Conditions
- Contractual Obligations
- State & Federal Mandates
- Community Master Plan

Proposed Budget
Budget Development
Factors

- Economic Conditions
- Operational Needs
- Contractual Obligations
- State & Federal Mandates
- Community Master Plan

Proposed Budget
Budget Development Factors

- Economic Conditions
- Operational Needs
- Financial Policies
- Contractual Obligations
- State & Federal Mandates
- Community Master Plan

Proposed Budget
Priority Based Budgeting

Philosophy

- Prioritize services instead of departments
- Focus deliberations on program value
- Relate services to achieving strategic results
- Provide transparency for community priorities
  - How we value our services
  - Why we invest in our priorities
  - How we address varied community needs
Priority Based Budgeting

Steps

- Identify strategic priorities
- Define results of strategic priorities
- Inventory core service programs/activities
- Score and group programs/activities
  - Basic program attributes
  - Strategic priority results
  - Community expectations
Priority Based Budgeting

Overview

- 5 overall strategic priorities
- 5 performance areas
- 6 distinct core service deliverables
- 9 organizational units delivering services
- 24 basic service attribute levels
- 111 unique programs/activities
- 4 priority groupings
Our Strategic Priorities

- Public Safety
- Public Education
- Public Infrastructure
- Economic Development
- Fiscal Stewardship
Our Strategic Priorities

PUBLIC EDUCATION
Provide support and ensure access for students to experience opportunities for a quality education

PUBLIC SAFETY
Proactively protect citizens and mitigate losses from medical emergencies, crime, fire and natural/manmade disasters

ECONOMIC DEVELOPMENT
Support and encourage a quality of life that sustains a robust economy and availability of quality employment

PUBLIC INFRASTRUCTURE
Maintain safe and reliable public roads, storm water, drinking water and sewer systems, and municipal facilities

FISCAL STEWARDSHIP
Responsibly manage and ensure the sustainability of financial practices necessary for the ongoing provision of all essential municipal services
### Results Map for the City of Dover, NH

#### Strategic Focus Areas

<table>
<thead>
<tr>
<th>Performance Areas</th>
<th>Public Safety</th>
<th>Public Education</th>
<th>Public Infrastructure</th>
<th>Economic Development</th>
<th>Fiscal Stewardship</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CUSTOMER-FOCUSED</strong></td>
<td>Maintain positive public perception and reality of personal safety and property security</td>
<td>Assure equal opportunity to receive quality education and related services</td>
<td>Maintain availability of safe, reliable infrastructure needed to support quality of life</td>
<td>Promote opportunities to improve the quality of life</td>
<td>Maintain affordability and provide for continuation of needed local government services</td>
</tr>
<tr>
<td><strong>PRODUCT &amp; PROCESS</strong></td>
<td>Deliver public safety services meeting and/or exceeding highest industry standards</td>
<td>Deliver comprehensive K-12 curriculum to meet requirements of diverse student population</td>
<td>Identify, prioritize and maintain community infrastructure to fulfill immediate and future needs</td>
<td>Undertake activities that promote economic well being and improved quality of life</td>
<td>Monitor and adjust products &amp; processes to realize efficiencies</td>
</tr>
<tr>
<td><strong>LEADERSHIP &amp; GOVERNANCE</strong></td>
<td>Provide resource allocations necessary to support expected service levels and promote confidence in local government services through overall performance management and communication</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FINANCIAL &amp; BENCHMARK</strong></td>
<td>Monitor resource allocations and adjust to remain within established budgets while meeting service requirements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>WORKFORCE-FOCUSED</strong></td>
<td>Assure recruitment, retention and training of employees and volunteers to fulfill service delivery needs</td>
<td></td>
<td></td>
<td></td>
<td>Maintain competitive compensation levels that are at median labor market levels, neither the highest nor lowest</td>
</tr>
</tbody>
</table>

#### Core Values
- Customer-Focused Service
- Integrity
- Innovation
- Accountability
- Stewardship
Our Core Services

- General Government
  - City Council
  - Executive
  - Finance
  - Planning & Community Development

- Public Safety
  - Police
  - Fire & Rescue

- Public Works
  - Community Services

- Culture and Recreation
  - Recreation
  - Public Library

- Human Services
  - Public Welfare

- Education
  - SAU Office
  - High School
  - Career Technical
  - Alternative School
  - Middle School
  - Garrison
  - Horne Street
  - Woodman Park

Strategic Priorities Are Integrated Across All Functional Service Areas
Our Core Services
Our Core Services
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Our Core Services
Priority Based Budgeting

Basic Program Attributes

- Mandated to provide program/activity (5 levels)
- Cost recovery of program/activity (5 levels)
- Change in demand for service (9 levels)
- Reliance on municipal government for service (5 levels)
Priority Based Budgeting
Quartile 1 Grouping

- Communication with citizens
- Municipal financial management
- Code enforcement and land use regulation
- Emergency police, fire and ems response
- Public drinking water & sewer utilities
- Street maintenance, snow removal
- Public schools
Priority Based Budgeting
Quartile 2 Grouping

- Economic development related activities
- Community oriented policing
- Environmental projects management
- Traffic control and street lighting
- Fleet & small equipment maintenance
- Municipal building and parks maintenance
- Ice arena
Priority Based Budgeting
Quartile 3 Grouping

- Municipal records archives
- Municipal utility billing and tax assessment
- Drug/Alcohol abuse public education
- Cemetery operation and maintenance
- Municipal solid waste and recycling
- Streetscape maintenance and sweeping
- McConnell Community Center
- Indoor pool and related year-round activities
Priority Based Budgeting
Quartile 4 Grouping

- Public meeting space for groups
- Public transportation
- Recycling Center hours
- Community events/programs
- Senior Center and related activities
- Youth playground programs
- Community Fitness Center/Gymnasium
- Outdoor pool and related summer activities
## FY2014 Proposed Budget

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Proposed</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>$56,082,170</td>
<td>$2,427,735</td>
<td>4.5%</td>
</tr>
<tr>
<td>School</td>
<td>51,446,750</td>
<td>(66,933)</td>
<td>(0.1%)</td>
</tr>
<tr>
<td>County</td>
<td>7,706,474</td>
<td>185,220</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$115,235,394</strong></td>
<td><strong>$2,546,022</strong></td>
<td><strong>2.3%</strong></td>
</tr>
</tbody>
</table>
FY2014 Budget

Revenue Considerations
- Sizeable increase in utility rates
- Modest decrease School revenue
- Modest increase in permit activity
- Activity/program fees levels unchanged
- Continuing decline in state/federal aid
- Risk pool surplus refund
- Tax Cap
FY2014 Budget Adjustments

- Expense
  - 5.9% change in personnel costs
  - 0.7% change in purchased services
  - (0.9%) change in supplies/materials
  - 1.6% change in other expenses
  - 1.0% change in debt service
  - 12.3% change in capital outlay
Public safety staffing levels unchanged
Position adjustments
- Eliminate 4 department requests
- Reduced drug task force funding
- Retirement of utility billing staff
- Sewer utility maintenance staff
- Camera operator
FY2014 Budget Adjustments

- Eliminate FasTrans Service
- Utilize TIP Funding for COAST allocation
- Street maintenance funding below CIP
- Reduce other CIP projects
- Maintain other programs and hours
- Conforms with financial policies***
FY2014 General Fund

Estimated Revenue
## Tax Cap Calculation - City

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2013 Actual City Tax Levy</td>
<td>$24,674,390</td>
</tr>
<tr>
<td>Calendar Year 2010-2013 CPI-U Average</td>
<td>1.97%</td>
</tr>
<tr>
<td>Sub-total</td>
<td>$486,085</td>
</tr>
<tr>
<td>Net Taxable New Construct/Demo Value</td>
<td>$15,000,000</td>
</tr>
<tr>
<td>FY2013 Actual Tax Rate</td>
<td>$9.71</td>
</tr>
<tr>
<td>Sub-total</td>
<td>$145,650</td>
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<tr>
<td>Max Increase Allowed for Total FY2014 City Property Tax Levy</td>
<td>$631,735</td>
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<tr>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>FY2013 Actual City Tax Levy</td>
<td>$27,124,864</td>
</tr>
<tr>
<td>Calendar Year 2010-2013 CPI-U Average</td>
<td>1.97%</td>
</tr>
<tr>
<td>Sub-total</td>
<td>$534,360</td>
</tr>
<tr>
<td>Net Taxable New Construct/Demo Value</td>
<td>$15,000,000</td>
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<tr>
<td>FY2013 Actual Tax Rate</td>
<td>$10.38</td>
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<tr>
<td>Sub-total</td>
<td>$155,700</td>
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<tr>
<td>Max Increase Allowed for Total</td>
<td>$690,060</td>
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<tr>
<td>FY2014 School Property Tax Levy</td>
<td></td>
</tr>
</tbody>
</table>
General Fund Revenue

Total Estimated Revenue $90,866,901

- City Revenue 13%
- School Revenue 13%
- County Tax Levy 8%
- School Tax Levies 38%
- City Tax Levy 28%

Property Taxes = 74%
General Fund Revenue

City Non-Property Tax Revenue $11,628,438

- **Intergov't**: 20%
- **Charges for Services**: 27%
- **Transfers**: 2%
- **Licenses & Permits**: 38%
- **Other**: 11%
- **Other Taxes**: 4%

Other Taxes

City Non-Property Tax Revenue $11,628,438
FY2014 General Fund

Proposed Expense
Total Proposed Expense $90,866,901

- School Functions 46.6%
- County Tax 8.5%
- City Debt Service 6.5%
- School Debt Service 4.3%
- City Departments 34.2%
General Fund Expense

City Proposed Expense  $36,934,563

- Personal Services 55.1%
- Transfers 7.7%
- Purchased Services 8.8%
- Supplies 6.4%
- Capital 3.9%
- Other 2.2%
- Debt Service 15.9%
- Transfers 7.7%

City Proposed Expense $36,934,563
General Fund Expense

Full-Time Equivalent Personnel – 232.8

- Fire & Rescue: 26.3%
- Police: 29.5%
- CS-PW: 17.0%
- Recreation: 5.6%
- Public Library: 6.0%
- Public Welfare: 1.2%
- Finance: 9.0%
- Planning: 1.9%
- Executive: 3.6%

Includes DoverNet, Fleet Maint and Utility Billing Staff
## FY2014

### Tax Rate Increase Breakdown

<table>
<thead>
<tr>
<th></th>
<th>Rate</th>
</tr>
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<tbody>
<tr>
<td>City</td>
<td>$0.18</td>
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<tr>
<td>School - Local</td>
<td>$0.33</td>
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<tr>
<td>School - State</td>
<td>($0.03)</td>
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<tr>
<td>County</td>
<td>$0.05</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$0.53</strong></td>
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</tbody>
</table>
## Property Tax Bill

Average Residential Assessment = $221,273

<table>
<thead>
<tr>
<th></th>
<th>FY14 Tax</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>$2,188</td>
<td>$40</td>
<td>1.9%</td>
</tr>
<tr>
<td>School</td>
<td>$2,927</td>
<td>$66</td>
<td>2.3%</td>
</tr>
<tr>
<td>County</td>
<td>$648</td>
<td>$11</td>
<td>1.7%</td>
</tr>
<tr>
<td><strong>Total Property Tax Bill</strong></td>
<td><strong>$5,764</strong></td>
<td><strong>$117</strong></td>
<td><strong>2.1%</strong></td>
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End of Presentation