

RCL 2013 VOTER PREPARATION

What voters need to know and understand
Adapted from the January 30, 2013 presentation

www.ryecivicleague.org

This table breaks out what different parts of our government will cost us if they all pass. School Support is for the years indicated.

		If your property is assessed for this amount, this is what your 2013 approximate cost will be. Taxrate of \$11.22/\$1,000 (2012)				
Budget Item	Amount	\$350,000	\$500,000	\$750,000	\$1,000,000	\$1,250,000
Town Operating Budget	\$ 8,680,627	\$1,733	\$2,476	\$3,714	\$4,952	\$6,190
Town Hall Space Needs	\$ 60,000	\$12	\$17	\$26	\$34	\$43
Old Police Station Research	\$ 9,800	\$2	\$3	\$4	\$6	\$7
Goss Farm Barn work	\$ 170,000	\$34	\$48	\$73	\$97	\$121
Capital Reserve Fund	\$ 100,000	\$20	\$29	\$43	\$57	\$71
Record Retention Strategy	\$ 25,000	\$5	\$7	\$11	\$14	\$18
Video Streaming Town	\$ 4,000	\$1	\$1	\$2	\$2	\$3
School Operating Budget	\$ 12,938,447	\$2,584	\$3,691	\$5,536	\$7,381	\$9,227
School Support Staff 2013-14	\$ 10,670	\$2	\$3	\$5	\$6	\$8
School Support Staff 2014-15 (not in 2013 total)	\$ 69,262	\$14	\$20	\$30	\$40	\$49
School Support Staff 2015-16 (not in 2013 total)	\$ 123,797	\$25	\$35	\$53	\$71	\$88
Video Streaming School	\$ 4,000	\$1	\$1	\$2	\$2	\$3
Town Total if all approved	\$ 22,002,544	\$ 4,432	\$ 6,331	\$ 9,497	\$ 12,663	\$ 15,828
Rockingham County	\$ 1,908,292	\$381	\$544	\$817	\$1,089	\$1,361
Total w/ Rockingham County	\$ 23,910,836	\$ 4,813	\$ 6,876	\$ 10,314	\$ 13,751	\$ 17,189
Not all homes are in the Rye Water District - some homes are served by Aquarion or Portsmouth Water.						
Rye Water Cap. Reserve Repairs	\$ 25,000	\$8	\$11	\$17	\$23	\$28
Rye Water Expendable Trust	\$ 15,000	\$5	\$7	\$10	\$14	\$17
Rye Water Cap. Reserve Equip. & Buildings	\$ 20,000	\$6	\$9	\$14	\$18	\$23
Rye Water Main Replacement (20 yrs @ 2.72%)	\$ 3,400,000	\$83	\$119	\$178	\$237	\$297

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- What Makes up the Tax Rate

Sewer and Debt Service decrease because of 2012 bond maturity
 Town Hall Government decrease due to health care reductions
 Increase (including warrant articles) is: \$201K, up 2.27%

	2011	2012	2013	2013 \$ Change	2013 % Change
Town Hall Government	\$ 1,446,774	\$ 1,521,107	\$ 1,480,146	\$ (40,961)	-2.7%
Police Total	\$ 1,128,592	\$ 1,217,965	\$ 1,271,106	\$ 53,141	4.4%
Fire Total	\$ 1,194,454	\$ 1,260,004	\$ 1,331,595	\$ 71,591	5.7%
Total DPW	\$ 1,406,416	\$ 1,453,040	\$ 1,511,017	\$ 57,977	4.0%
Library Operations	\$ 588,506	\$ 588,506	\$ 606,883	\$ 18,377	3.1%
Recreation Operations	\$ 208,662	\$ 210,975	\$ 222,832	\$ 11,857	5.6%
Other Services Total	\$ 365,005	\$ 379,771	\$ 410,871	\$ 31,100	8.2%
Total Debt Service	\$ 1,180,098	\$ 1,153,429	\$ 1,039,692	\$ (113,737)	-9.9%
Capital Outlays	\$ 276,852	\$ 103,016	\$ 150,400	\$ 47,384	46.0%
Warrants, Capital Reserves & Trusts	\$ 404,804	\$ 265,000	\$ 368,800	\$ 103,800	39.2%
Sewer Fund	\$ 341,940	\$ 363,663	\$ 239,193	\$ (124,470)	-34.2%
Revolving Funds	\$ 323,645	\$ 331,788	\$ 416,893	\$ 85,105	25.7%
Totals	\$ 8,865,748	\$ 8,848,264	\$ 9,049,427	\$ 201,163	2.27%

Town Hall Government Includes:

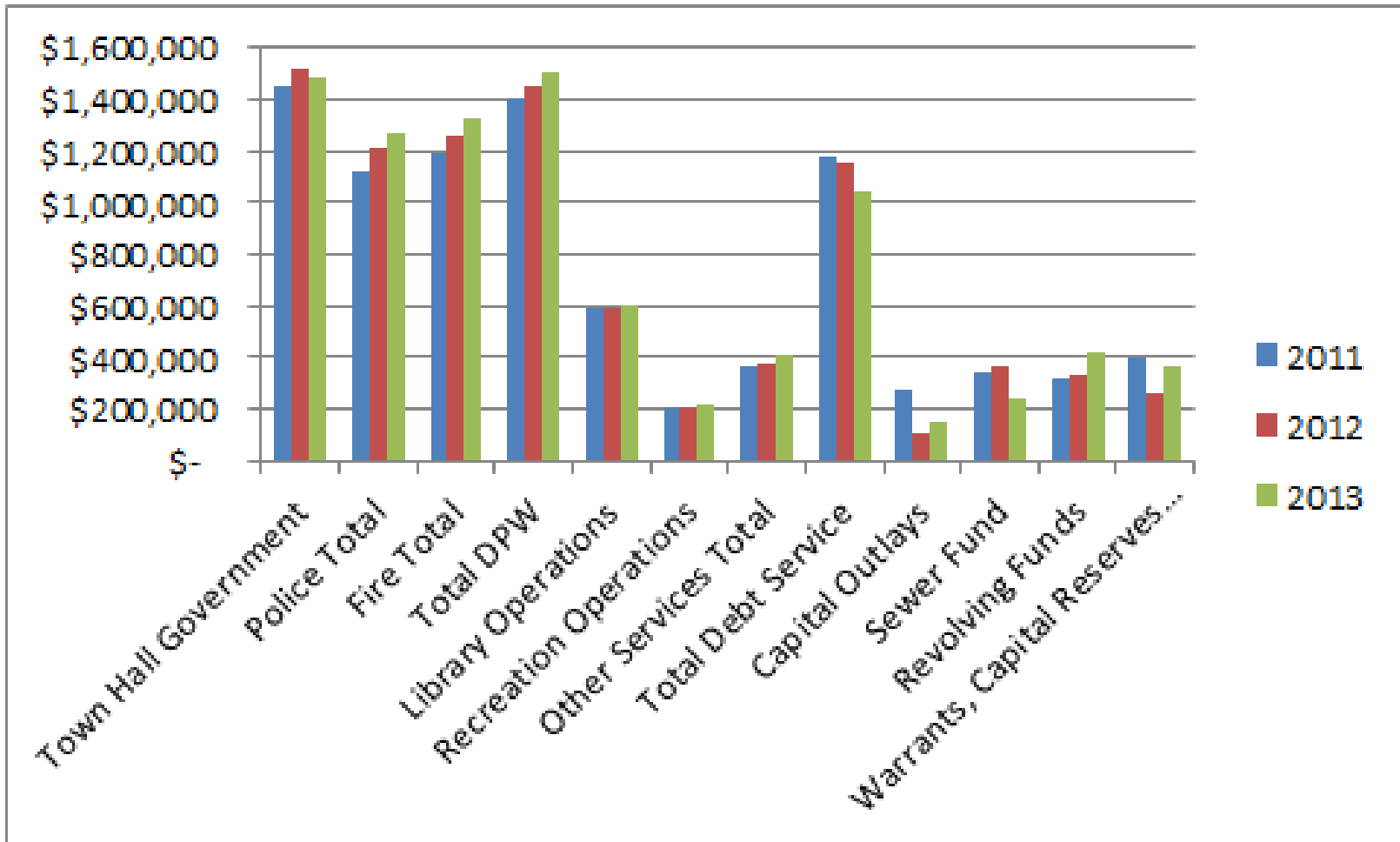
- Executive Office, Town Clerk, Tax Collector, Assessing, Finance Office, Legal, Zoning Board, Planning Board, Building Inspection, Town Custodian, Town Hall Facility, and Insurance.

Other Services Include:

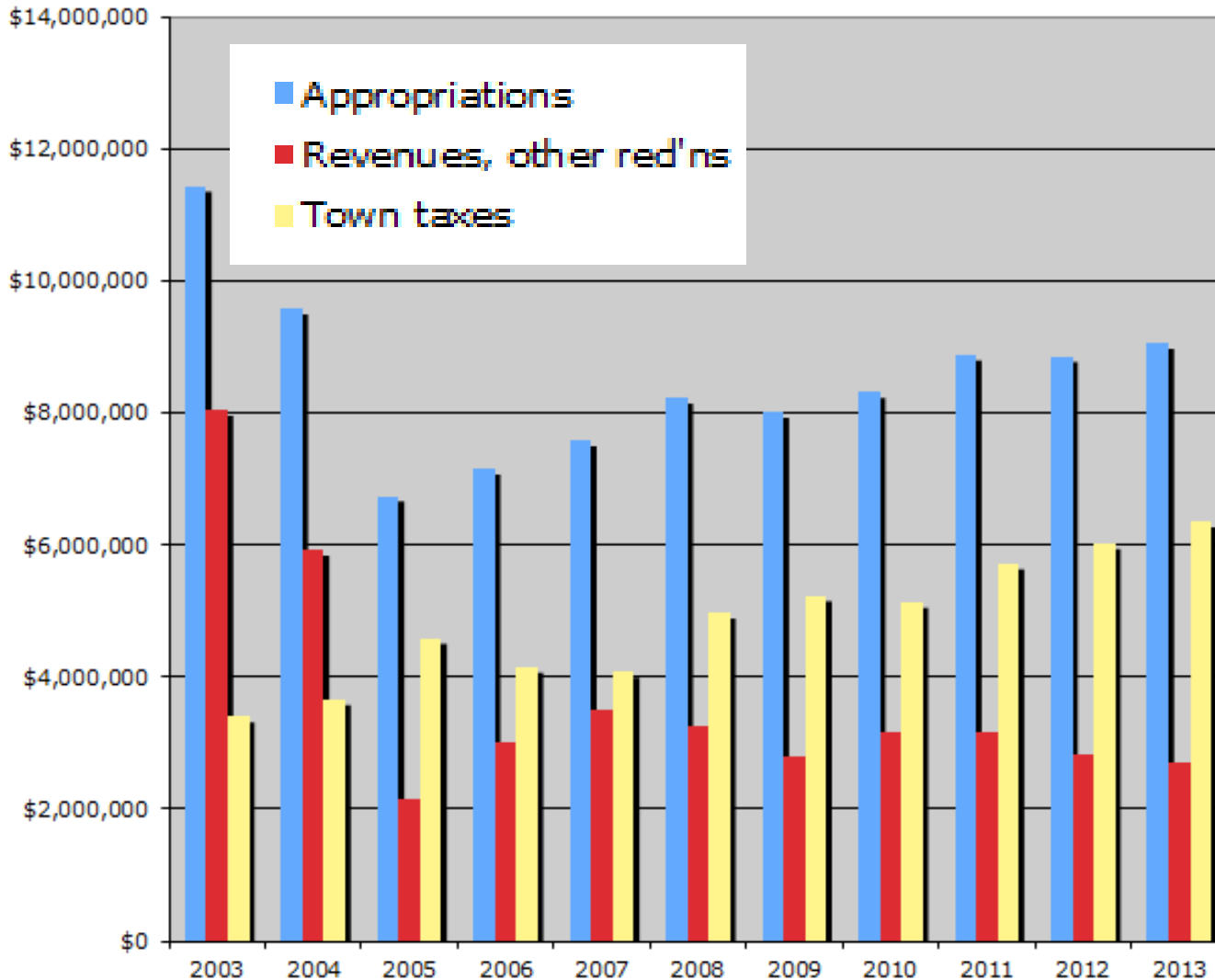
Health Officer, Animal Control, Mosquito Control, Direct Assistance, Cemetery, Beaches, Land Management, Patriotic Purposes, Historic District, Heritage Commission, Conservation and Other Services.

Police, Fire and DPW annual increases (\$182.7K) have been offset by decreasing debt payments (bonds and sewer)

2013 Planned Town Operating Budget



Planned Spending – Revenues = Taxes for Town Operations

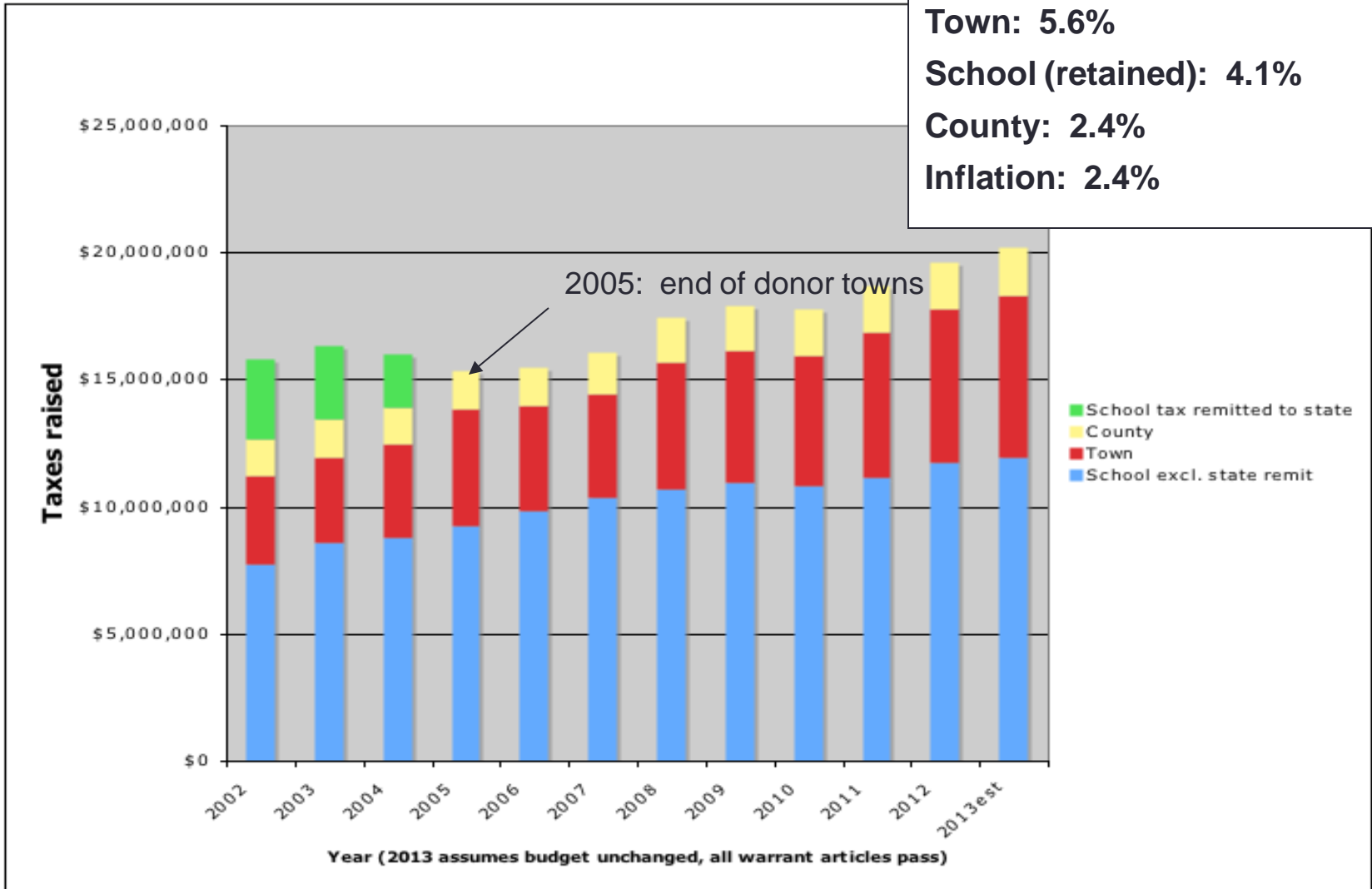


Revolving Funds:
 Revenues from Beach Stickers, Rye Recreation, Police Details come into the town. However, what they plan to spend every year needs to be included in the budget, to allow the funds to be spent or the bills to be paid if the Revenues fall short.

Revenues are Car Stickers and other taxes

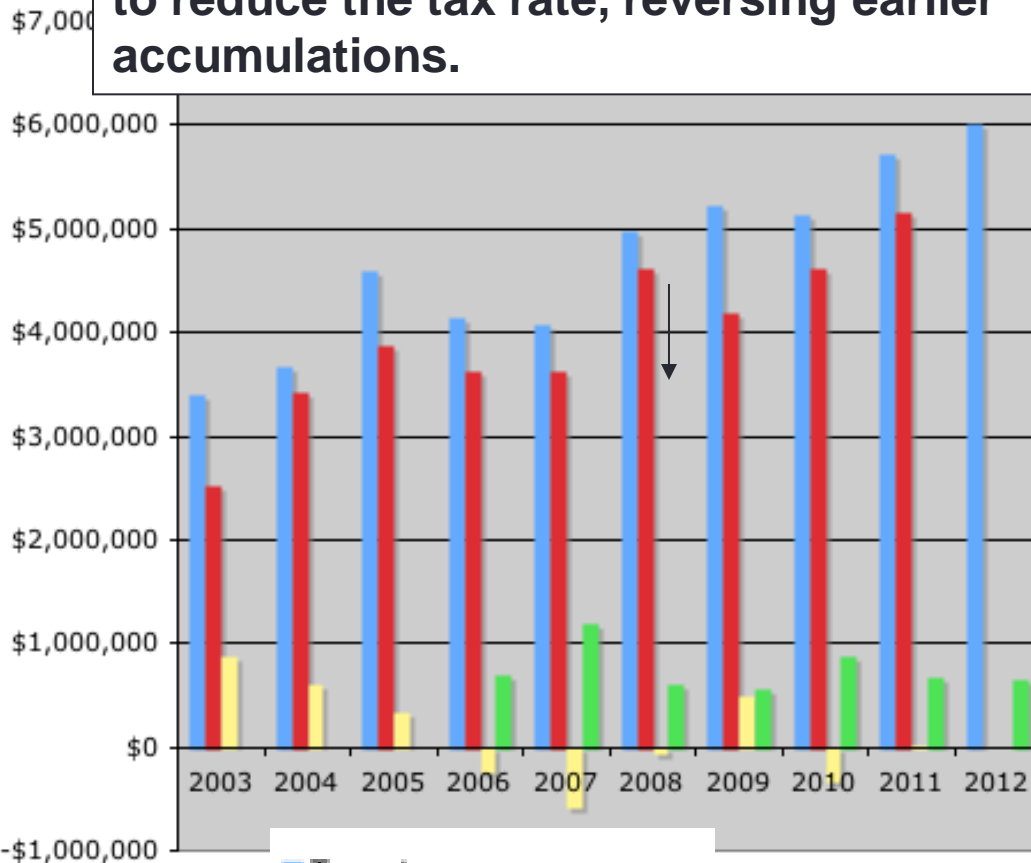
Rye's cost of government services (including schools) has grown faster than inflation

Compound annual growth rates
Town: 5.6%
School (retained): 4.1%
County: 2.4%
Inflation: 2.4%



Town taxes have consistently exceeded expenditures

2006: Town started using fund balances to reduce the tax rate, reversing earlier accumulations.



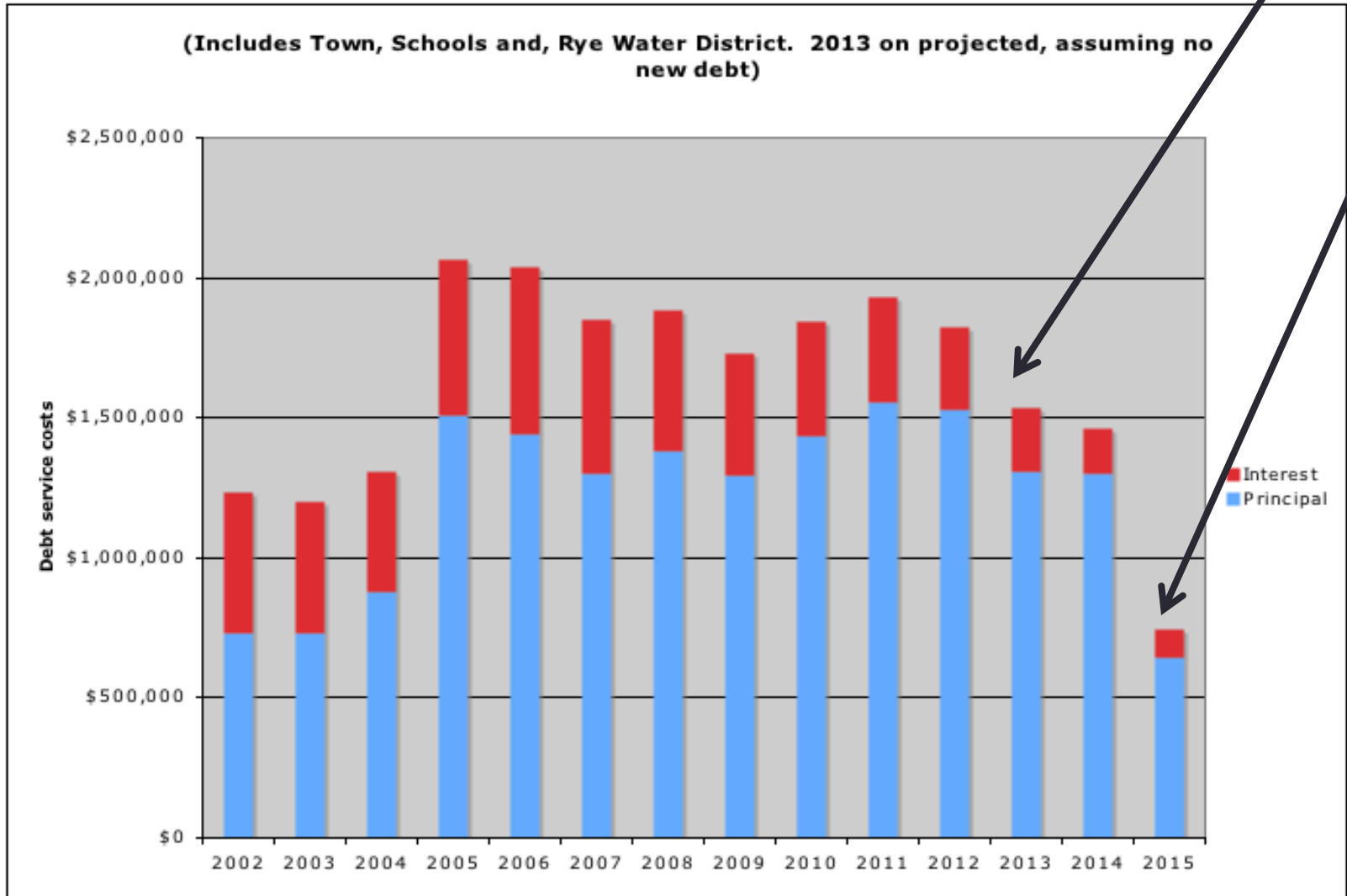
Fund Balances:

Some of the Fund Balances are associated with special revenue funds.

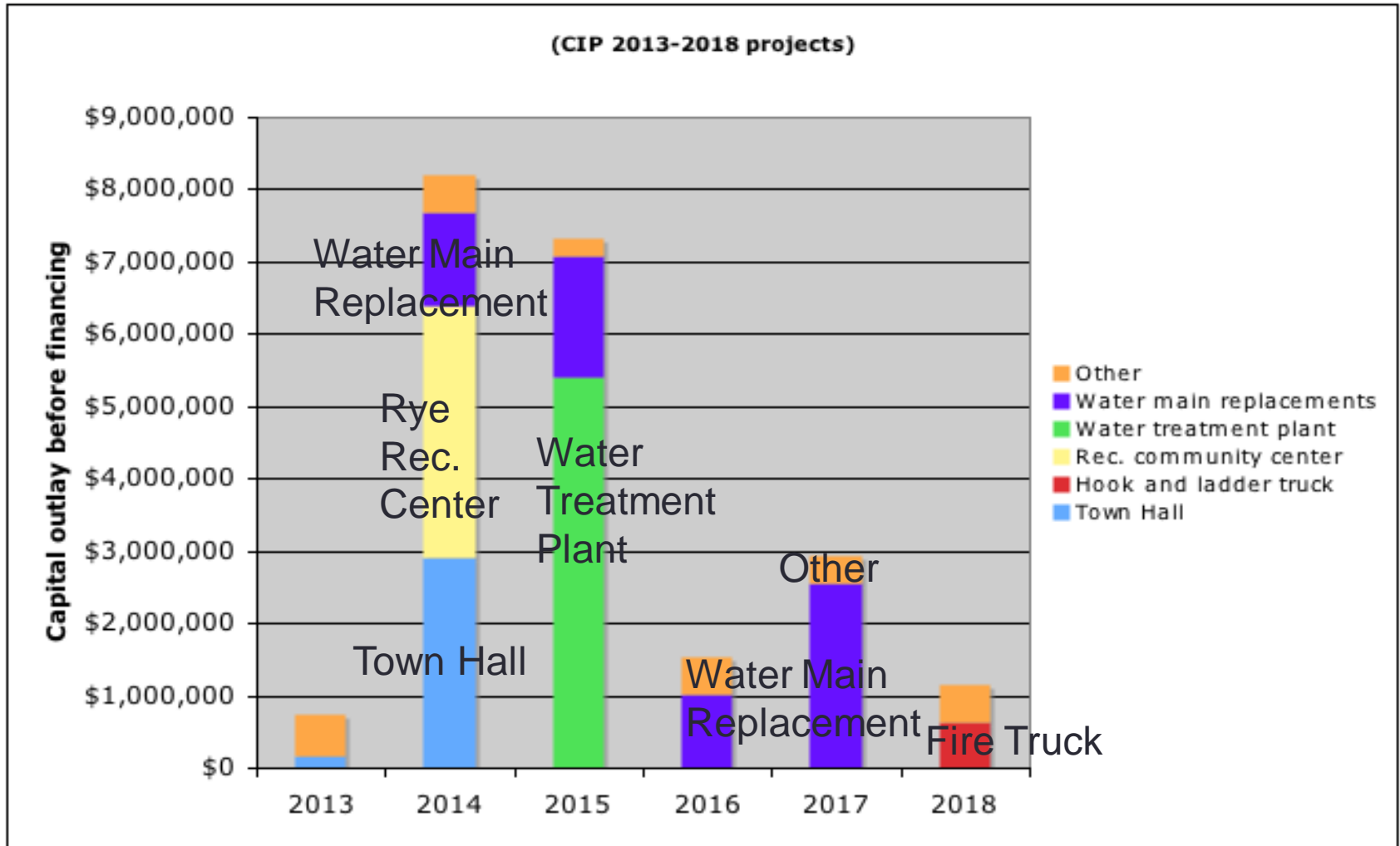
Use of fund balances to reduce taxes has averaged around \$500,000 the past few years

- Town taxes
- Town expend. less revs.
- Chg. in unreserv. Fund
- Fund bal. to reduce taxes

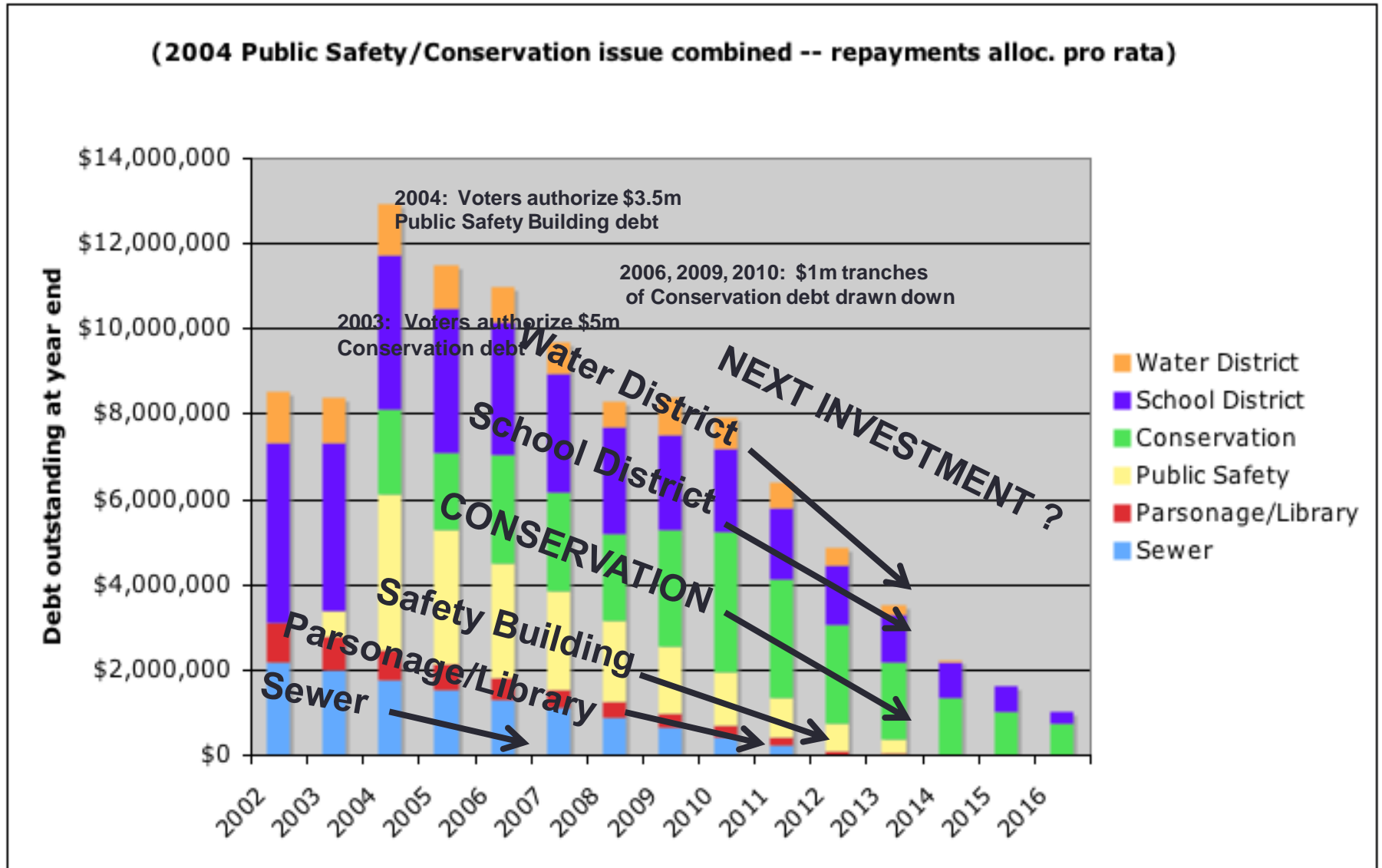
The reduction in Town debt payments has been generating significant savings to offset cost increases



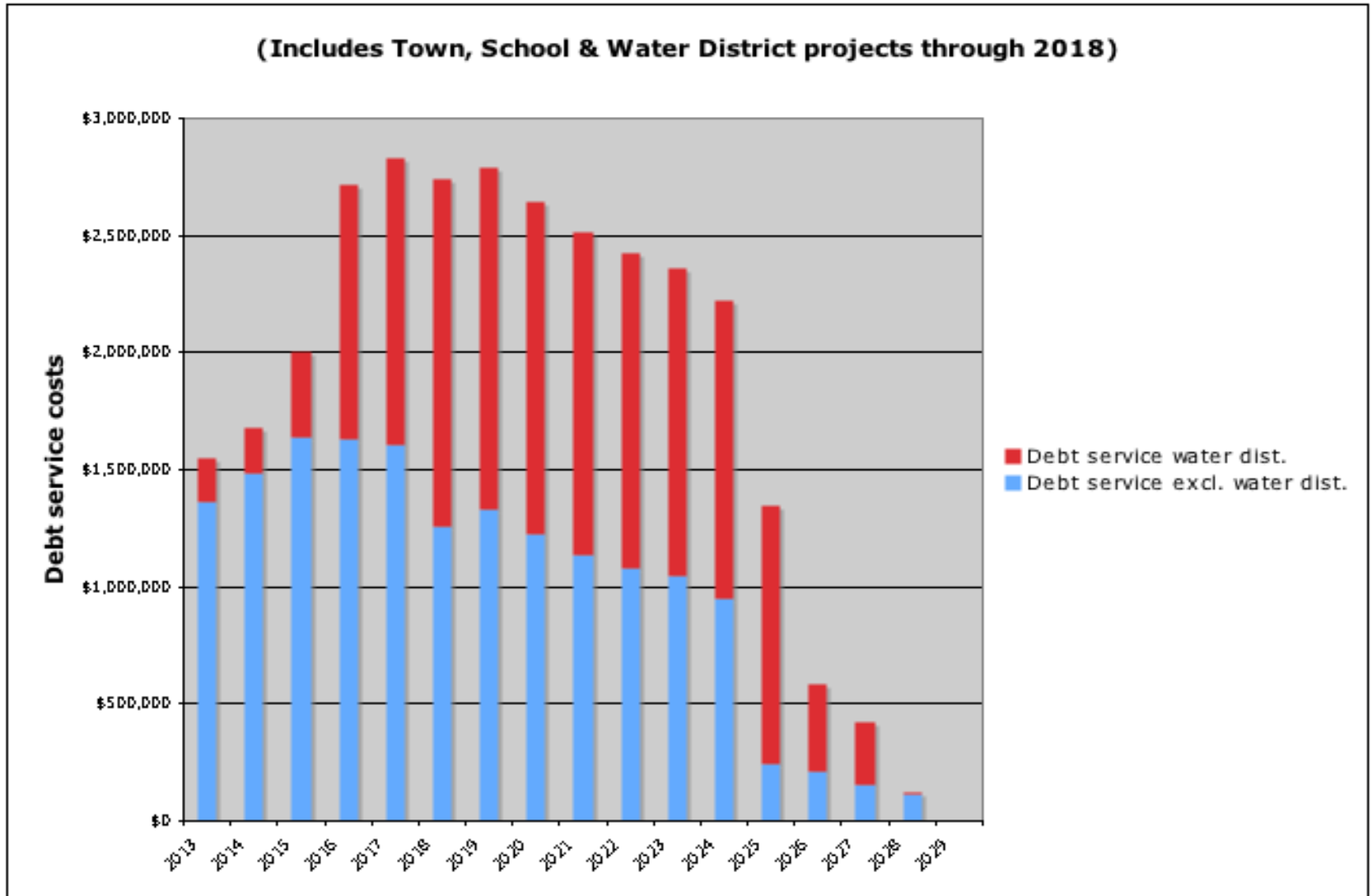
The 5 Year Capital Improvement Plan (CIP) includes \$21.9 million in Possible Investments. Which ones must we do? What can we do? How does the town prioritize?



The spike in Town debt is subsiding, creating room for investment.
 However – these savings have been offsetting other cost increases



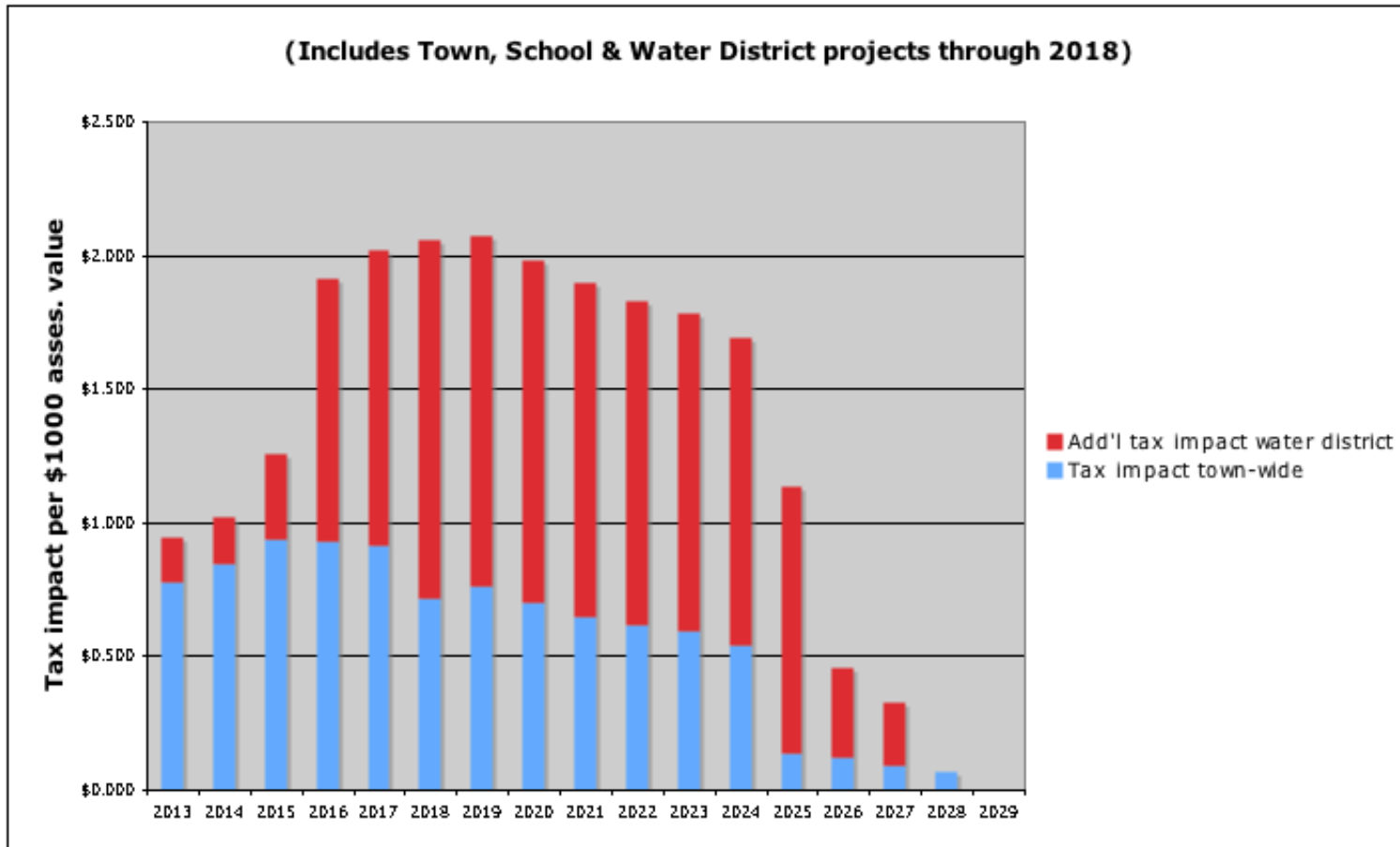
If we finance (10 yrs. at 3%) all CIP items, debt service costs will nearly double, severely impacting those in the Rye Water District



Because of the smaller tax base, each \$1M of Town debt increases the tax rate \$0.074, but \$1M of Rye Water Dist. debt increases taxes \$.118 (not everyone is on Rye Water)

What each \$1M of Town investments mean to your tax bill in the first year:

\$300K Home: \$22 \$500K Home: \$37 \$750K Home: \$56
 \$1M Home: \$74 \$1.250M Home: \$93



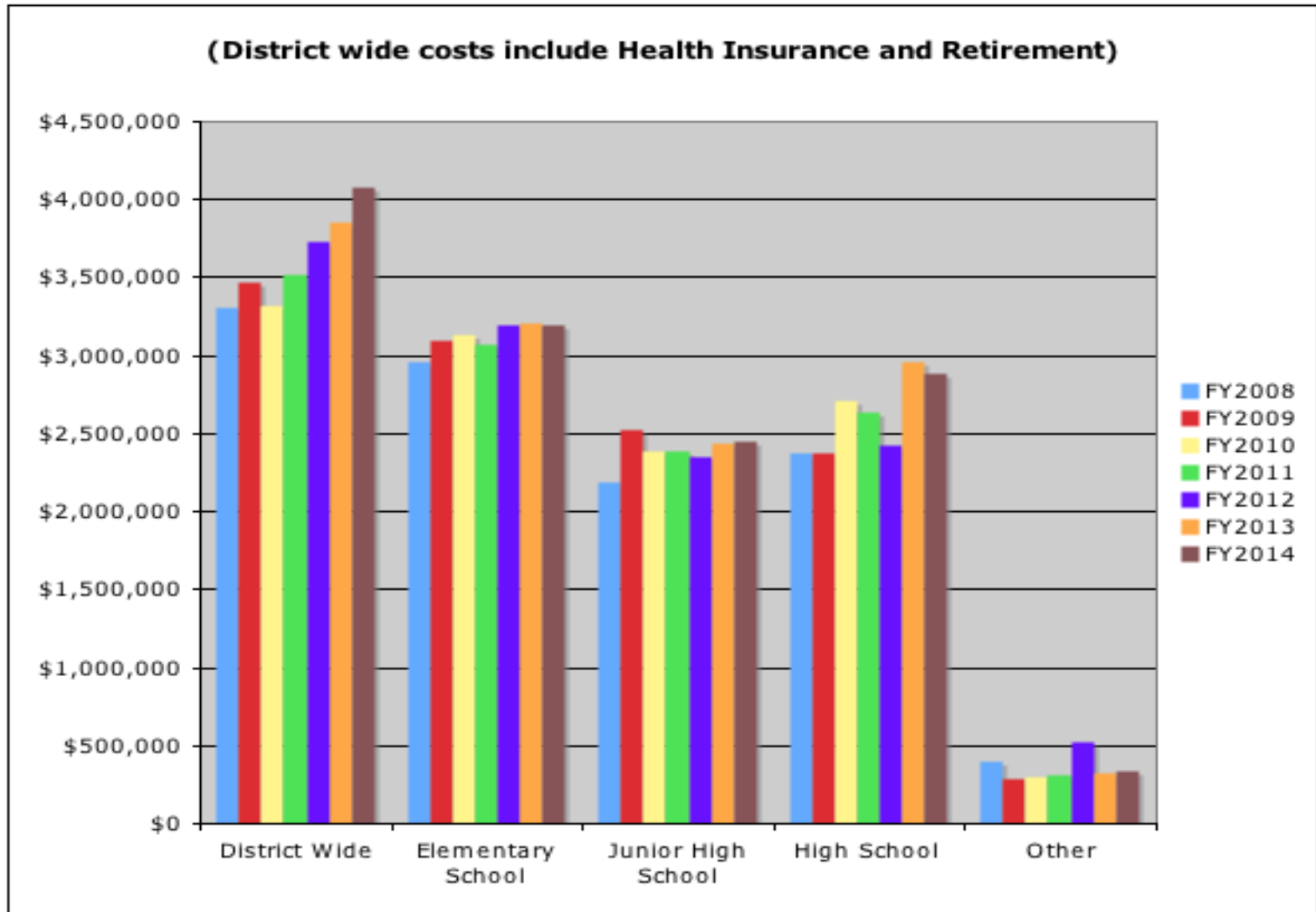
The Town had \$7,394,544 in Fund and Trust balances on 12/31/11
 A summary description of all of these needs to be developed.

Fund	Amount	What the Fund is for (not completed)
Library	\$201, 052	
Other	\$1,289,595	
Fire Truck Reserve Fund	\$153,312	
Employee Leave Expendable Trust	\$181,316	
Sewer Capital Reserve	\$49,278	
Landfill Capital Reserve	\$40,936	
Highway Equip. Reserve	\$141,755	
Salt Shed Reserve	\$106,753	
Sewer Fund	\$592,923	
Recreation Revolving Fund	\$269,795	
Conservation Commission	\$878,382	
Ambulance Reserve Fund	\$137,246	
Other ?	\$229,863	

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- What Makes up the Tax Rate

District (across RES and RJH) wide and High School budgets are increasing due to benefits, while RES and RJH remain relatively flat. PHS students are uncontrollable and tuition is difficult to control.



District (RES & RJH) wide costs are increasing due to benefits and SAU costs

	2011-2012 OPER. BUDGET	2011-2012 EXPENDED	2012-2013 OPER. BUDGET	2013-2014 SCH. BRD. BUD.
GENERAL FUND:				
DISTRICT WIDE EXPENDITURES:				
SPECIAL EDUCATION DEPARTMENT EXPENSES	83,587.00	81,588.40	83,496.00	87,118.00
COCURRICULAR DEPARTMENT EXPENSES	10,000.00	7,603.50	10,000.00	10,000.00
EXTENDED SCHOOL YEAR EXPENSES	9,700.00	10,444.64	9,583.00	16,945.00
SPEECH THERAPY DEPARTMENT EXPENSES		111,026.48	92,024.00	96,036.00
OCCUPATIONAL THERAPY DEPARTMENT EXPENSES		45,438.39	48,905.00	51,117.00
IMPROVEMENT OF INSTRUCTIONAL SERVICES		17,947.00	10,792.00	10,788.00
TECHNOLOGY DEPARTMENT EXPENSES		112,386.79	115,694.00	101,905.00
SCHOOL BOARD EXPENSES		36,051.31	35,679.00	36,812.00
OFFICE OF THE SUPERINTENDENT EXPENSES		499,515.00	518,155.00	587,668.00
OPERATION & MAINTENANCE OF THE PLANT	56,550.00	56,549.92	56,260.00	57,385.00
PUPIL TRANSPORTATION EXPENSES	238,911.00	238,909.00	247,273.00	255,928.00
SUPPORT SERVICES - OTHER	1,900.00	502.60	2,700.00	1,000.00
EMPLOYEE BENEFITS	2,102,350.00	2,121,386.26	2,265,871.00	2,429,037.00
DEBT SERVICE EXPENSES	372,260.00	372,260.00	357,000.00	341,600.00
SUBTOTAL GENERAL FUND - DISTRICT WIDE	3,724,984.00	3,711,609.29	3,853,432.00	4,083,339.00

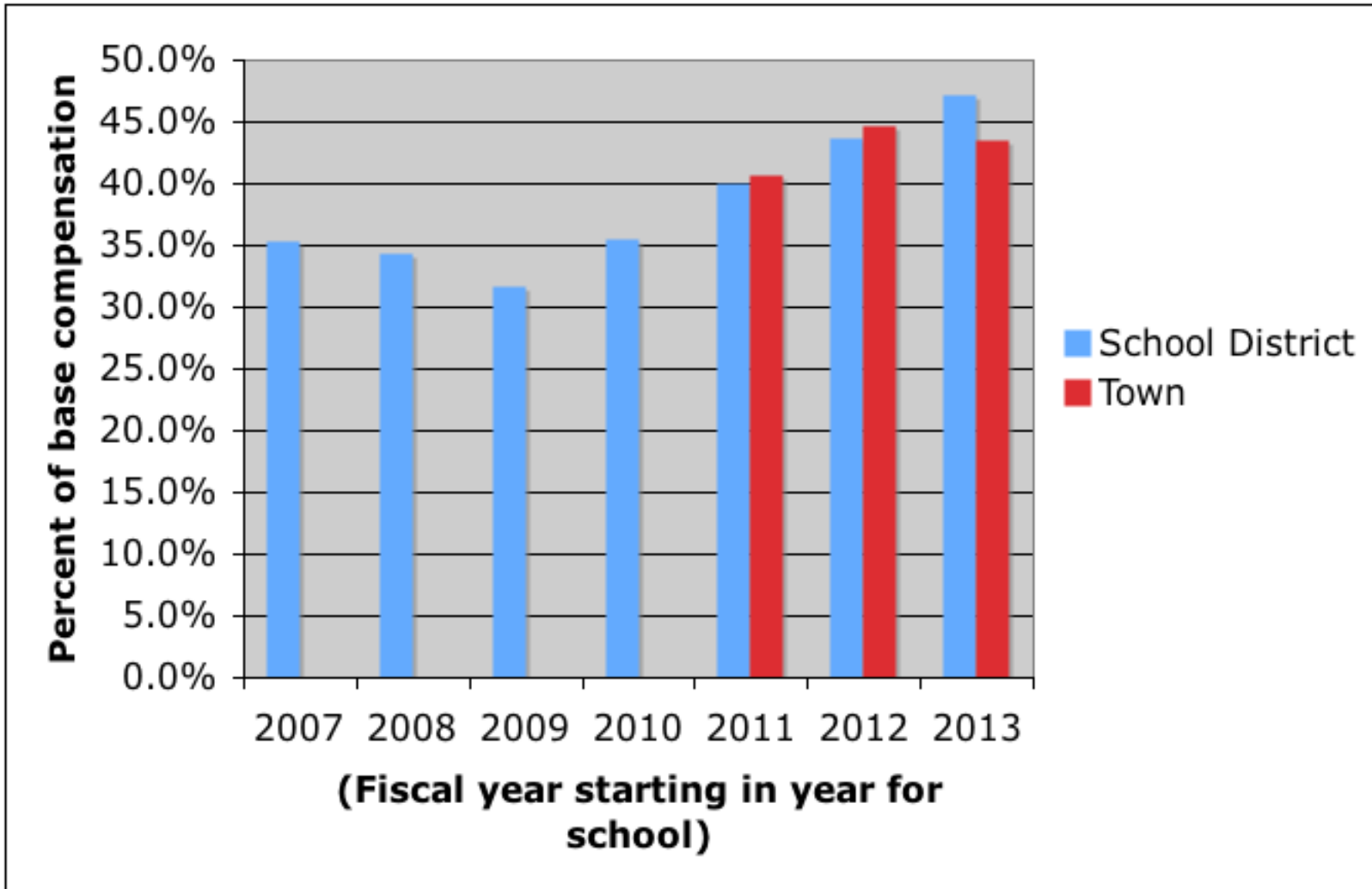
Table from the school budget

- 1) \$2.4M of District Employee Benefits are: Health, Dental , Life, Long Term Disability, FICA Insurance. NH Retirement, Unemployment Comp. and other
- 2) Rye funds almost half of the SAU office (i.e. admin. office in Greenland). This is \$587,668 for 2013-2014
- 3) Busing is \$255,928 and Debt Service is \$341,600

School benefits are rising rapidly

Benefits (Health, Retirement, etc..) % of Salaries

Local private benefit rates are between 20% to 25%



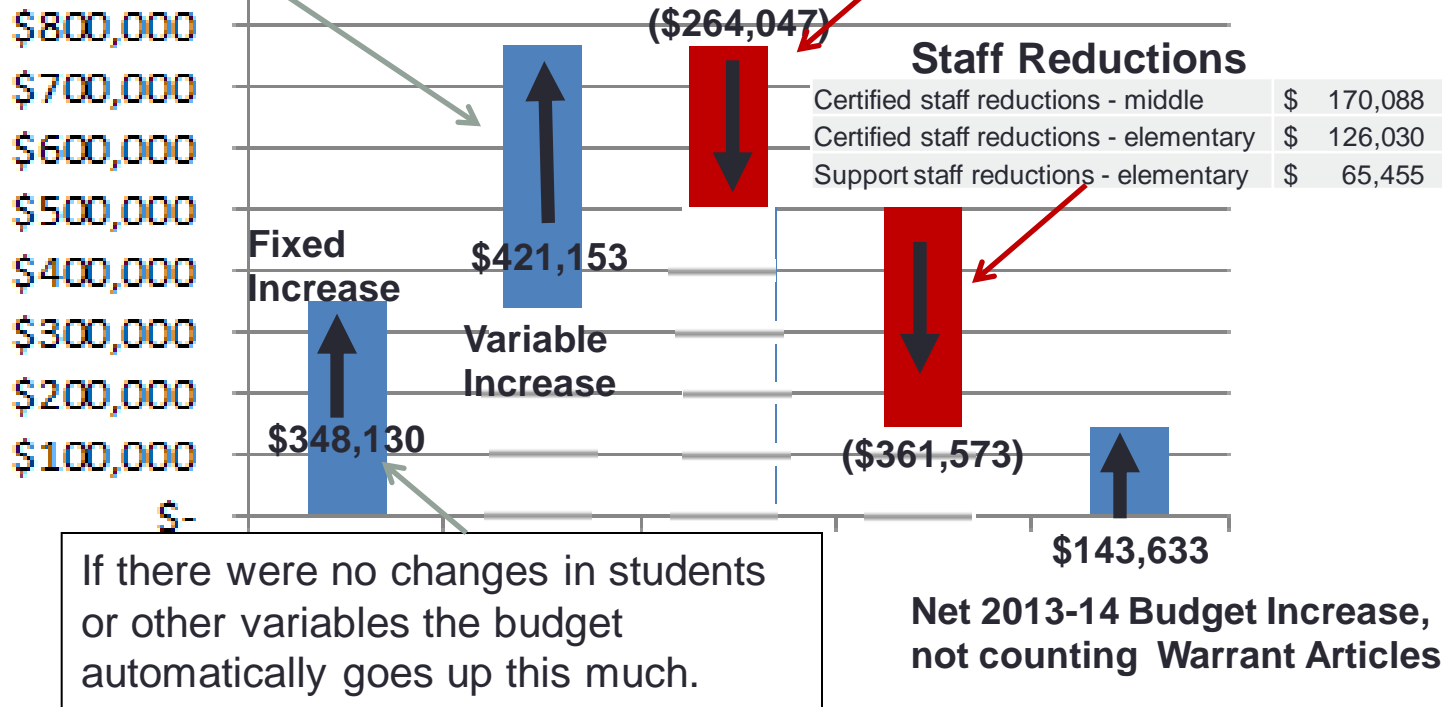
Fixed and Variable Increases offset mostly by staff reductions.

Variable Cost Increases

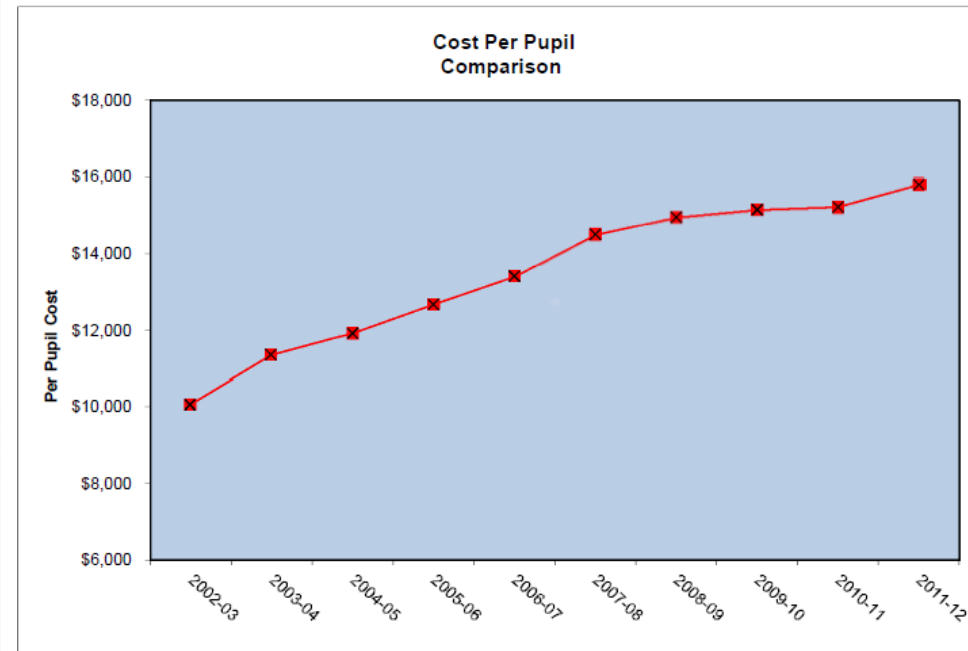
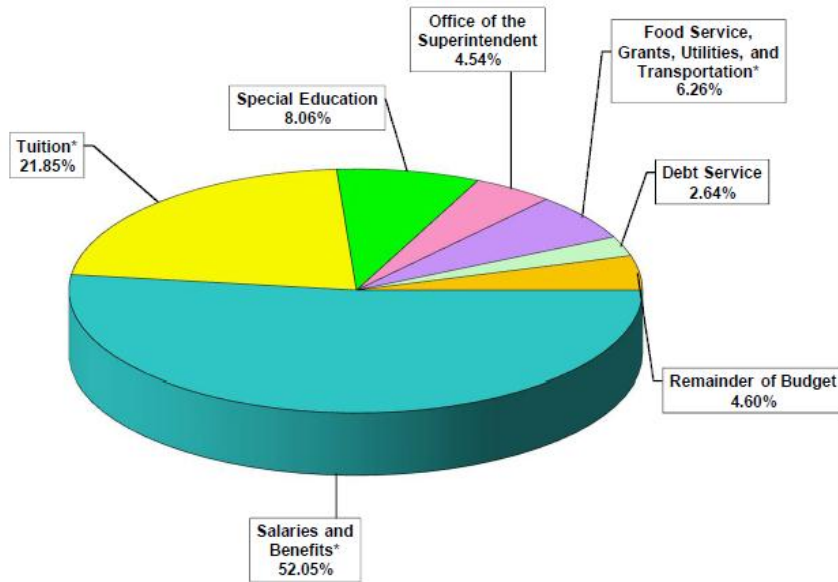
NH retirement	\$ 119,000
Tuition to private schools - elementary	\$ 91,653
Health insurance	\$ 73,000
SAU budget	\$ 69,000
Tuition to private schools - middle	\$ 50,000
Special education transportation	\$ 13,000
Extended year education	\$ 5,500

Variable Cost Decreases

Total High school tuition	\$ 157,047
Tuition to private schools - high	\$ 31,000
Maintenance objectives - elementary	\$ 31,000
Maintenance objectives - middle	\$ 30,000
Interest on Bonds	\$ 15,000



School Budget Details (charts are from the school budget)



- Salaries and Benefits are 52% of the Budget
- Cost per pupil is up around 50% over the past 10 years
- So Salaries and Benefits are driving up the cost of education
- Subtract out inflation and is education getting that much better?

Health Insurance and Retirement are growing rapidly

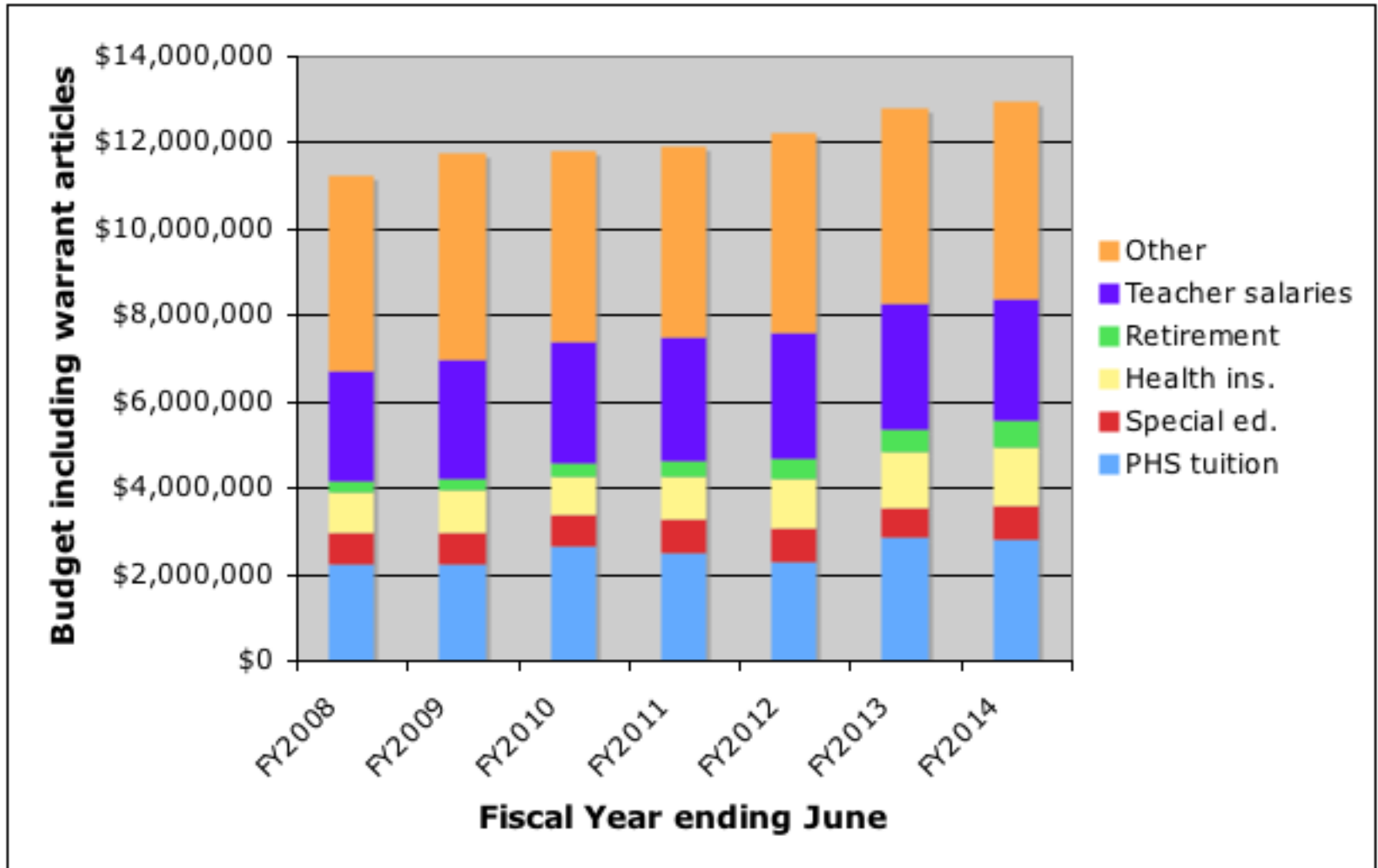
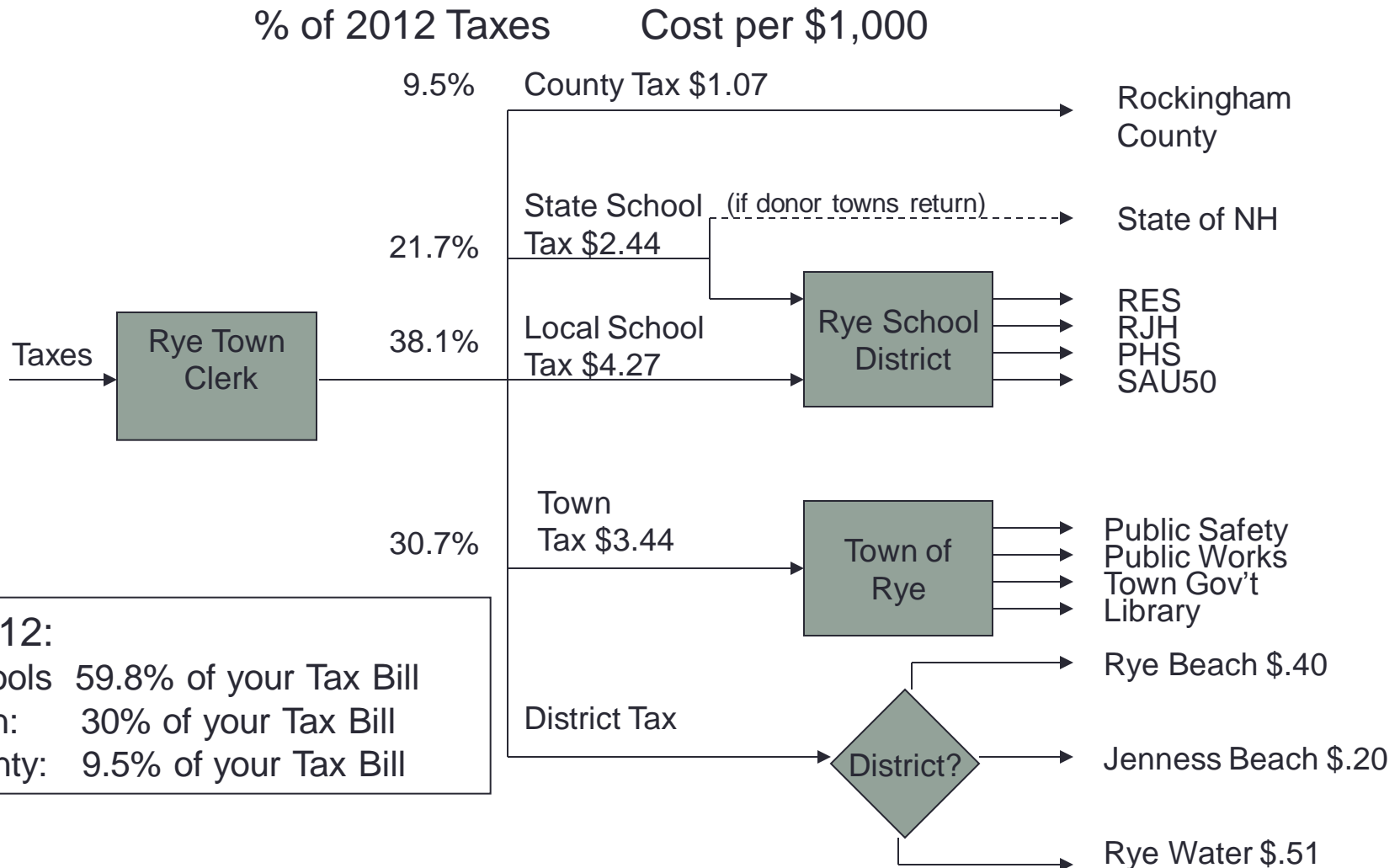


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- What Makes up the Tax Rate

Rye property taxes are divided several ways. All money comes into the Town and then turned over to independent parts of Government Services (Schools, Library, Sewer...).



Is there a State School Tax?

- Donor Towns have not gone away completely
- State still requires towns to show their share of the cost of a minimally acceptable education for all students in the state
- No money actually leaves the town and goes to the State any more

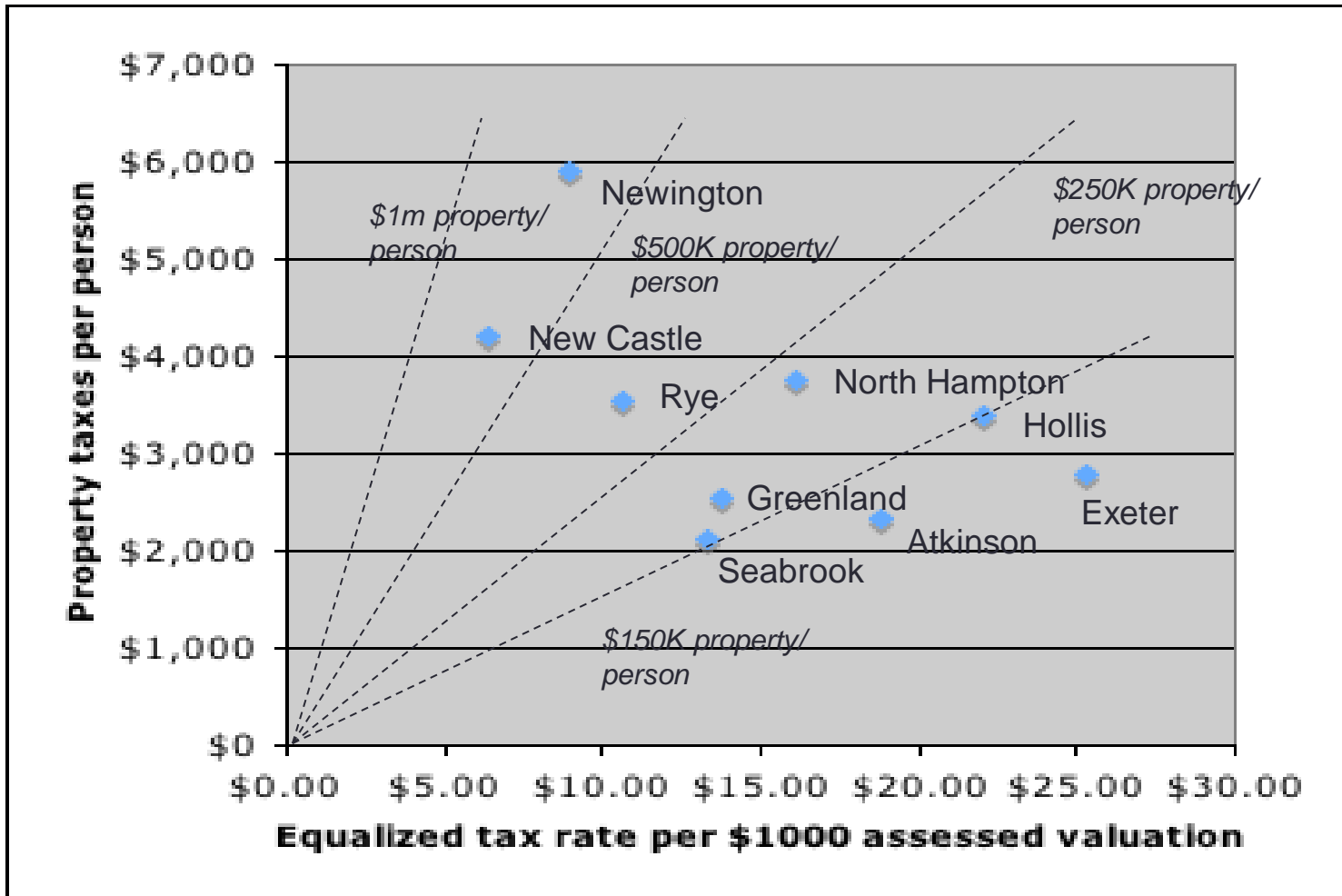
SCHOOL PORTION		
Net Local School Budget:		
Gross Approp. - Revenue	12,212,449	1,081,358
Regional School Apportionment		0
Less: Education Grant		0
Education Tax (from below)	(4,256,276)	
Approved School(s) Tax Effort		6,874,815
		LOCAL SCHOOL RATE 3.90
EDUCATION TAX		
Equalized Valuation (no utilities) x	\$2.325	
1,830,656,419		4,256,276
Divide by Local Assessed Valuation (no utilities)		STATE SCHOOL RATE 2.42
1,755,968,035		

Total = \$11,131,091

This is what needed to be raised to fund our schools. This plus State and other revenue equals the budget

Rye has one of the highest total property assessments, so we should have one of the lowest tax rates:

However: Rye has a high COST of Government per Person. So while the tax rate is low, the average cost of government per person is high.



This Presentation

Was created by the Rye Civic League to help taxpayers be prepared for the deliberative town meeting

- This has now been updated after the Deliberative Town Meeting and posted.

The Rye Civic League publishes the monthly Rye Civic News. You can add yourself to the Rye Civic News at www.ryecivicleague.org

Key concepts

Appropriations

General fund + Revolving funds + Warrant articles voted for. Deliberative session can alter budget and warrant article amounts. Voted up or down at election. Default budget applies if defeated (last year's budget adjusted for any contractual commitments that changed up or down)

Revolving funds: Appropriations that are anticipated to be covered by revenues, such as Sewer, Recreation programs, School food service. These are nevertheless appropriated by voters and become part of the taxation. Revolving fund revenue estimates are not assured.

Revenues

Money that the Town or school collects, excluding property taxes. Includes license fees, sewer charges, Recreation program charges, School lunches, tuition from New Castle.

Unreserved fund balance

Similar concept to equity. Represents cumulative "profits," i.e. revenues less expenditures, from prior years, less that already used to reduce taxes. Excludes reserved portion. Does not represent cash.