

TOWN OF DERRY, NH

To: Citizens of Derry
Copy: Derry Town Council
From: John P. Anderson, Town Administrator
Date: June 20, 2012
Re: Fiscal Year (FY) 2014 Approved Budget

The Town of Derry's FY 2014 budget (July 1, 2013 – June 30, 2014) was approved by a vote of four to three of the Derry Town Council at a meeting on May 14, 2013. The Capital Improvement Plan was unanimously approved.

The Council adopted a municipal services budget of \$37,061,798 to fund Police, Fire, Public Works and Administration. Net of revenue, the budget will result in a tax assessment of \$23,502,275. At \$171,444 over the FY 2013 tax assessment, this is less than a one percent increase. The budget equates to an estimated tax rate of \$10.39 per thousand dollars of value, unchanged from the FY 2013 tax rate.

Key Points

- This budget utilizes none of the \$0.22 tax rate increase allowable under Section 9.4 of the Derry Town Charter, despite three years of essentially level-funding the Town's municipal services.
- Two full-time positions were added this year; neither will impact the tax rate. Water/Wastewater added a Utility Worker; the position is funded by the Water/Wastewater enterprise funds. Public Health added a regional Drug Misuse Prevention Coordinator; the position is funded by grants from the New Hampshire Department of Health and Human Services and the New Hampshire Charitable Foundation.
- Unassigned fund balance of \$331,330 is used to cover the cost of a number of non-recurring capital projects of \$5,000 or greater.
- Debt service payments for the Ash Street and Route 28 Tax Increment Financing (TIF) District bonds are fully covered by the incremental increases in valuation within the TIF Districts.
- The largest capital project is \$400,000 for the purchase of a double-ram bailer for the new Transfer Station facility, funded by a transfer from the Waste Trust Fund. This purchase will have no impact on the tax rate.

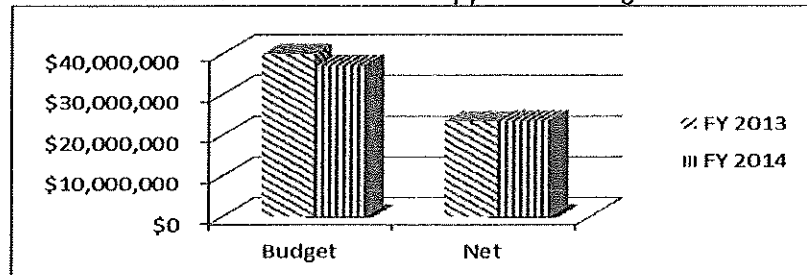
Future Concerns

- In order to meet the tax rate requests prescribed by the Town Council, we have eliminated 19 full-time positions since FY 2004. Demand for Town services has not declined; the Town's executive, administrative and public safety staffing is stretched thin.
- Five (of seven) labor contracts are expired. We will be challenged to fund future collective bargaining agreements without having to further reduce staff and Town services.
- The ongoing challenges presented by the weak local and national economy remain unclear. We hope that revenues historically provided by the State will not decline further and that they will increase in future years, slowing the continued downshifting of costs onto local taxpayers that has been the practice recently.
- We will continue to evaluate the option of increasing fees for programs and services despite the potential unintended consequence of limiting access to activities to those with limited resources.

As we look ahead to the FY 2015 budget, we shall face these challenges head on and do our utmost to continue to provide the highest levels of municipal services to you - the citizens of Derry.

Allow me to thank the employees of the Town of Derry and the Town Council for the extraordinary effort that went into the preparation and adoption of this budget, which will not increase the municipal services portion of the tax rate from last year.

Town Services Portion of Approved Budget



Municipal Tax Rate

