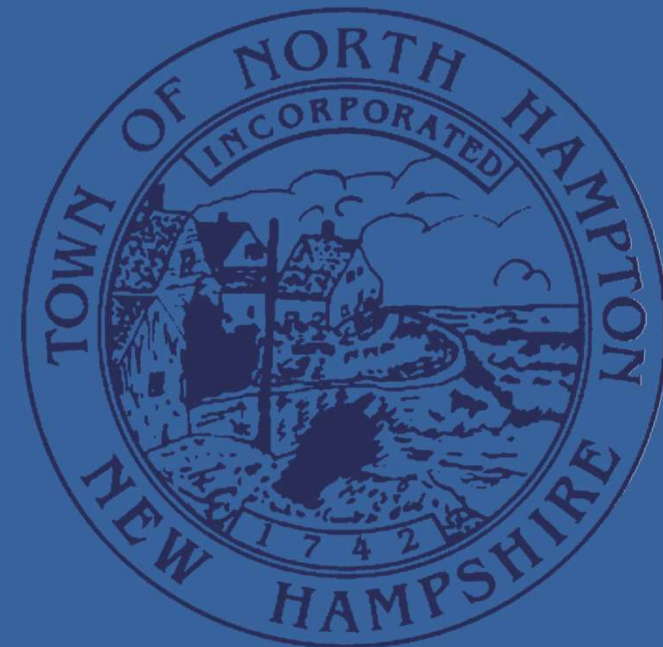


TOWN OF NORTH HAMPTON

Budget Committee

Presentation of Proposed
Operating Budget for Fiscal
Year 2025



FY 2025 Proposed Operating Budget

FY 2024 Approved Operating Budget:	\$8,980,101
FY 2025 Proposed Operating Budget:	\$9,641,882
\$ Increase FY 2024 to FY 2025 Proposed	\$ 661,781
% Increase FY 2024 to FY 2025 Proposed	7.37%



FY 2025 Proposed Operating Budget

Although the FY 2025 Proposed Operating Budget is \$661,781 or 7.37% greater than the FY 2024 Approved Operating Budget, what is more important is the difference between the FY 2025 Proposed Operating Budget and the FY 2025 Default Operating Budget.

Note: The FY 2025 Default Operating Budget, as defined by RSA 40:13, IX (b)-(c), is the amount of the same appropriations as contained in the FY 2024 Approved Operating Budget, reduced and increased, as the case may be, by debt service, contracts previously approved in the amount so approved, and other obligations previously incurred or mandated by law.



FY 2025 Proposed Operating Budget

FY 2025 Default Operating Budget:	\$9,492,223
FY 2025 Proposed Operating Budget:	\$9,641,882
\$ Increase FY 2025 Default to Proposed	\$ 149,659
% Increase FY 2025 Default to Proposed	1.58%



FY 2025 Proposed Operating Budget

FY 2025 Default Operating Budget: \$9,492,223

Salaries, FICA/Medicare, and NHRS	\$ 97,305 *
Health Insurance	\$ (73,160)
Data Processing	\$ 21,879
Legal	\$ 20,000
FD Equipment, Vehicle, and Radio Maint	\$ 18,349
Dearborn Park Maint and Water Usage	\$ 15,000
Solid and Bulky Waste Disposal	\$ 12,520

* - This amount indicates the change in salaries, FICA/Medicare, and NHRS retirement contributions for all unrepresented non-union employees, as well as overtime, holiday pay, FICA/Medicare, and NHRS retirement contributions for all union represented employees, across all Town departments.

(continued)



FY 2025 Proposed Operating Budget

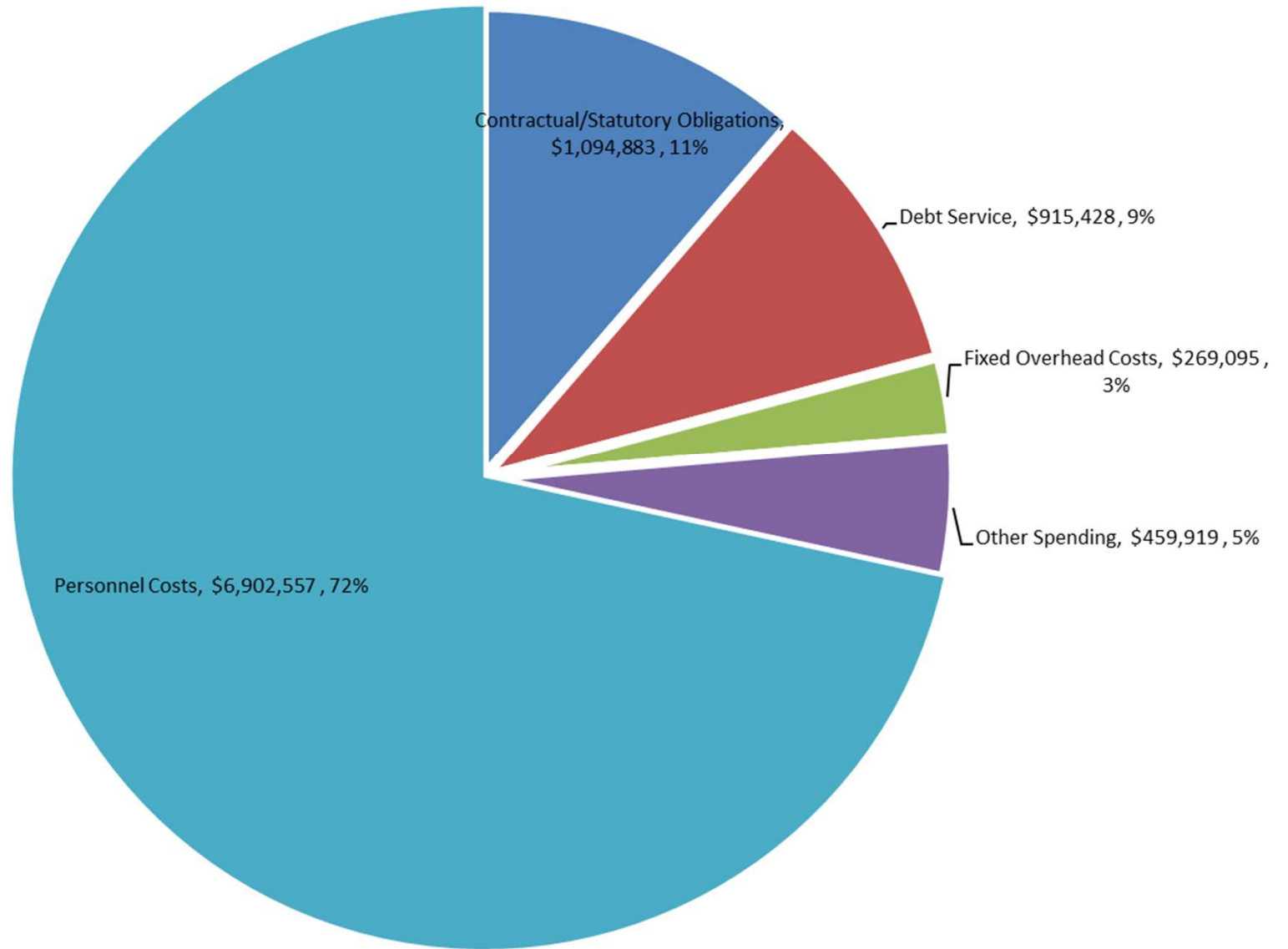
(continued)

PD Prosecution Expense	\$ 12,000
PD Uniforms/Apparel/Gear	\$ 8,750
Telephone/Internet/Cable	\$ 8,310
Pavement Marking	\$ 6,800
Other	<u>\$ 1,906</u>
Subtotal	<u>\$ 149,659</u>

FY 2025 Proposed Operating Budget: \$9,641,882



Proposed Operating Budget Classified by Category - \$ 9,641,882



FY 2025 Default Operating Budget

FY 2024 Approved Operating Budget:	\$8,980,101
FY 2025 Default Operating Budget:	\$9,492,223
\$ Increase FY 2024 to FY 2025 Default	\$ 512,122
% Increase FY 2024 to FY 2025 Default	5.70%



FY 2025 Default Operating Budget

FY 2024 Approved Operating Budget:	\$8,980,101
Health Insurance	\$ 405,153
Distribution Costs - Hydrants	\$ 83,540
Workers' Comp/Prop & Liab, and Life/LTD/STD	\$ 20,378
Other	<u>\$ 3,051</u>
Subtotal	<u>\$ 512,122</u>
FY 2025 Default Operating Budget:	\$9,492,223



FY 2025 Default Operating Budget

The default operating budget is calculated by the governing body following the statutory formula which may result in a higher or lower amount than the proposed operating budget.

If the proposed operating budget is not adopted by the legislative body, the political subdivision either shall be deemed to have approved the default operating budget or the governing body may hold a special meeting to take up the issue of a revised operating budget only.

The default operating budget shall not be amended by the legislative body. This amount may only be adjusted by the governing body.



Health Insurance Savings

Beginning in FY 2023 the Town transitioned all employees to a high-deductible plan with lower premiums and higher deductibles than those previously offered. Had that transition not been made the increase in health insurance would have been significantly higher.

Savings by Year:

FY 2023	\$ 97,421
FY 2024	\$ 197,791
FY 2025	<u>\$ 269,585</u>
Cumulative Savings	\$ 564,797



Aquarion Rate Case 2022-2023 Summary

Based on 2019 test year

Base Rate:

\$35,000,000	Aquarion Net Plant Value (Approximate)
\$7,226,523	Aquarion annual revenue, approximate, FY2019
\$1,373,000	Aquarion initial proposed increase <i>Included some 2020 & 2021 plant improvements Moved plant improvements to Step I</i>
(\$305,000)	Agreed Final Revenue Increase <i>Estimate a 5-7.5% <u>rate decrease</u></i>

Hydrants:

12%	Hydrants currently as a % of total Aquarion revenue <i>Cannot break issue, excessively high, fire insurance aspect</i>
14%	Aquarion proposed larger hydrant share of revenue
16%	Proposed Hydrant % increase, even with rate decrease
12%	Agreed settlement percentage of Aquarion Revenue



Aquarion Rate Case 2022-2023 Summary

Step I Increase: (Settlement Agreement allowed for at later date)

\$12,079,591 Aquarion Plant Improvements 2020 & 2021

Treatment (basic) Plant, PFAS treatment, wages and benefits

\$1,561,436 Not to Exceed Rate Step Adjustment/Step Increase

In Settlement Agreement

\$1,328,088 Actual Final Rate Step I Adjustment (Post Settlement Agreement)

\$68,000 North Hampton Hydrant portion - Annual

Rate Recoupment Adder: Permanent to Step I Adder/Surcharges

OCA, Hampton and North Hampton unaware

(\$639,417) Customer Credit due to Temporary greater than Permanent

1-Feb-2021 to approval Step I

\$790,898 Step to Perm Rate Recoupment Adder

\$151,481 Net One Time Charge to Customers, over 12 billings

\$15,506 North Hampton Hydrant portion - 1 Time

