

14 March 2023

MEMO TO: Board of Finance

FROM: Nancy Gorski, for the Board of Selectmen

RE: FY23/24 Budget

The Board of Selectmen proposes an operating budget for FY23/24 that is \$5,930,799 or 4.4 percent higher than the FY22/23 operating budget. Subject to the Board of Assessment Appeals, Killingworth's Grand List rose 1.0 percent. At the current mill rate, this increase would yield an additional \$196,822 in tax revenue.

The current estimate of local government funding for Killingworth under the American Rescue Plan Act (ARPA) is \$1.22 M including interest of which \$355,623 is encumbered and \$1,224,799 unencumbered as of 3/14/2023. BOS suggested use of these remaining funds is reflected in this preliminary budget for your review.

### **OPERATING BUDGET**

**Salaries.** The Consumer Price Index rose 6.4 percent in 2022. A 2.8 percent increase was applied to all non-union employees, including elected officials, employed by the town greater than one year. The 2.8 percent is consistent with salary increases proposed in recent area and comparable labor contract settlements. The Joint Commission on Compensation last met in 2019; charging a commission in 2023 should be considered.

**Assessor's Budget.** The Assessor's salary budget is increased by \$23,872 or 34% for FY23/24. The increase reflects an employee assuming the role of Assessor and \$24,000 split between an Assessor's clerk and a consultant.

**Town Property Maintenance.** As the BOS discussed at our February joint meeting, town hall property maintenance is a priority for FY23/24. We've increased this line item by \$15,500 or 42.9% to continue to maintain our properties.

**Town Prop Custodian.** We bid for custodial services in FY22/23 and have selected a new provider. This line item reflects a \$13,500 or 208% increase in FY23/24 but now includes custodial services not only for town hall, but also the Emergency Operations Center, Public Works office space, Station 1, and the food pantry.

**Medical/Dental Coverage.** An increase of \$26,200 is based upon an estimated 10 percent increase in costs.

**Computer Maintenance & Licenses/IT Network Support.** An increase of \$13,842 or 15.7% is due to changing technology and secure accessibility.

**PUBLIC SAFETY:**

**Fire Company.** An increase of \$14,040 or 7.9% is due to increased energy costs for electric and propane. A portion of training will be outsourced.

**Resident State Trooper Assessment.** The additional \$5,000 in overtime will be used for traffic control.

**SANITATION & HEALTH:**

**Bulky Waste Disposal.** Disposal costs for chipping, tipping, and tires are increasing. The tipping fees included in this budget are consistent with the proposed MIRA amendment.

**PARK & RECREATION:**

**Killingworth Park & Recreation.** An increase of \$19,500 or 27.2% will be used for seed and fertilizing, work not performed during the pandemic.

**MISC/COMMUNITY SERVICES:**

**Killingworth Library Association.** After losing funding in FY22/23, an increase of \$76,000 or 38.0% is requested to bring the library back to its normal budget requests (\$269,000 in FY 21/22).

**Committee on Aging.** A nominal \$3,500 in support of this newly formed committee.

**Substance Abuse/Addiction Services.** A new line item in FY23/24. We expect to be able to use opioid settlements to fund a services program.

**Youth & Family Services.** An increase of 3.4% or \$3,100 was requested by the organization for FY23/24.

## CAPITAL BUDGET

**ARPA Funding.** Per the Town of Killingworth Policy regarding the use of ARPA Funds, the BOS recommends to the BOF ARPA funding for the following capital projects:

- KVFC Station 2 Flat Membrane Roof
- KVFC – LUCAS CPR Devices<sup>1</sup>
- KAA – Automatic Chest Compression CPR Device (LUCAS)
- KAA – Updated Automated External Defibrillator (AED) on Ambulance
- KAA – Replace AEDs around town (7 at \$2,500)
- Hybrid Meeting Technology-Equipment & Software
- Budget Book Software
- On-Line Permitting Software
- Barn – Repair & Paint

**HW Dept – Mulch Head Attachment.** The BOS deferred this capital item to a future year.

**P&R – Pavilion at Eric Auer Park, Ice Skating Rink, Sheldon Pavilion Repair.** The BOS deferred these capital items to a future year given ongoing work on new ball fields.

**Town Office Building – Modular roof & HVAC system.** We received a total quote of \$75K to repair the roof at town hall. The BOS will seek for FY22/23 funding to complete a portion of the roof repairs to the front of the Town Office Building but have added \$200,000 in FY23/24 to complete roof repairs to the modulars and replace the HVAC system.

**Town Office Building – Assessment to determine repair or replace.** The BOS added \$25,000 to perform an assessment whether to repair or replace the modulars.

**Public Works Garage – Reclaim & Drainage Improvement.** The BOS deferred this capital item until more is known about PFAS remediation efforts.

**Annual Transfer from Operating Budget.** We have continued the discipline of budgeting a 1.5 mill transfer to capital reserves, as permitted by the Charter.

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<sup>1</sup> The KVFC and KAA requests for the LUCAS CPR devices should consider economies of scale