

City of Nashua FY 2016 Budget Presentation

February 12, 2015



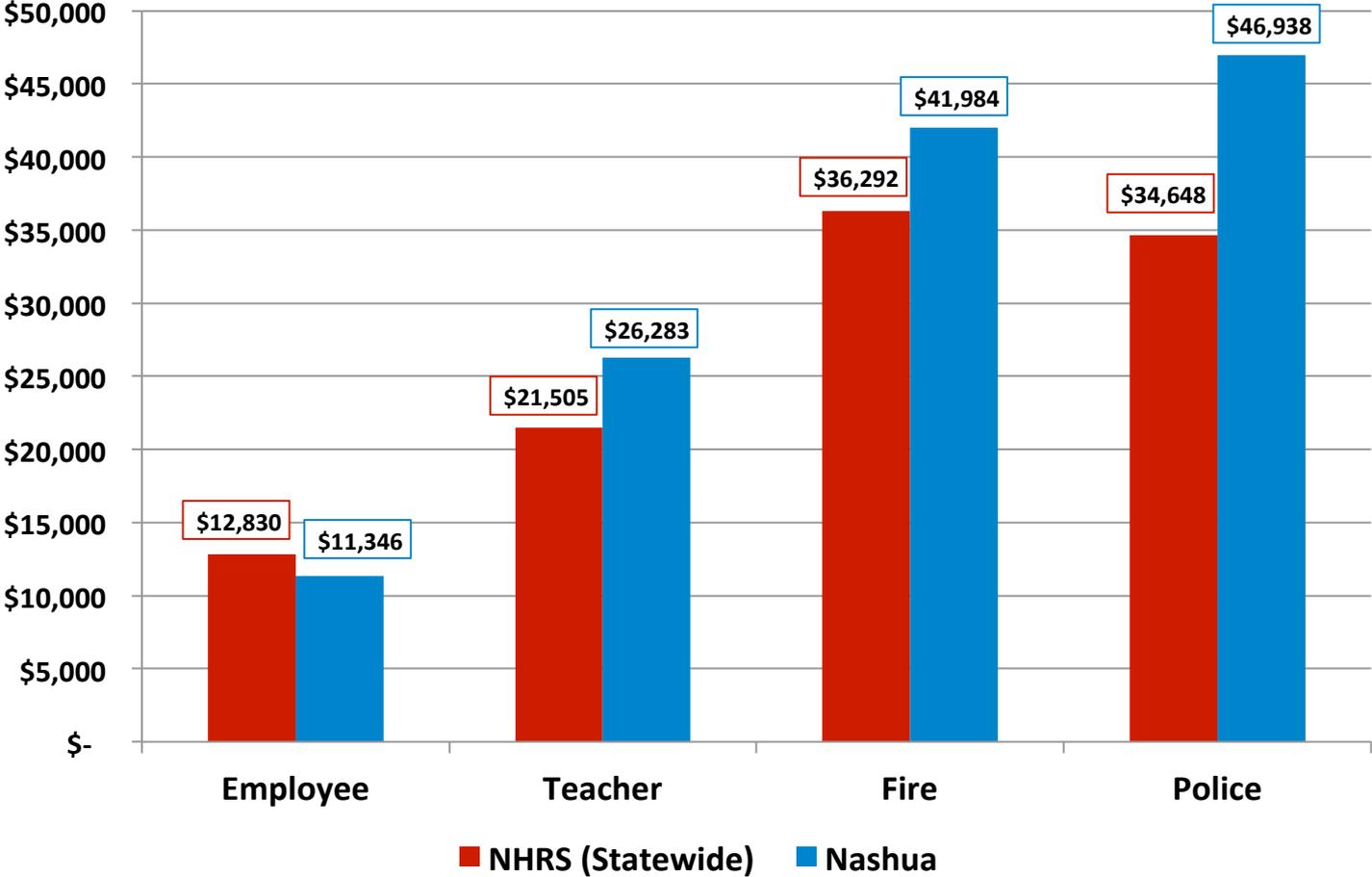
FY 2016 Budget Challenges

as presented on June 16, 2015

- FY 2016 Budget Issues
 - Increases in NHRS Pensions Costs
 - CPI-U Northeast for Spending Cap will likely be less than 2.0% and could be as low as 1.5% **Spending Cap Index is 1.5% for FY 2016**
 - The new amount available under the spending cap for FY 2016 could be as low as \$4.0 million **\$ 3.6 million new money available**
 - The NHRS can raise the Employer Contribution Rates in FY 2016 Preliminary projections - \$2.5 million increase for Nashua in FY 2016 **New NHRS rates increase Nashua's pension cost by approximately \$1.9 million.**
 - **\$1.9 million represents 53% of the new \$ amount available for FY 2016**
 - Increases in wages and costs – undetermined



Comparison of Nashua & Statewide CY 2014 Average Annual Pensions



Group I (Employees & Teachers) and Group II (Fire & Police) Employer Rates July 1, 2015 – June 30, 2017

	Employee	Teacher	Fire	Police
Normal Cost	9.14%	8.69%	18.36%	16.61%
Unfunded Liability	8.72%	11.03%	18.76%	17.48%
Total Cost	17.86%	19.72%	37.12%	34.09%
Less: Member Contribution	(7.00%)	(7.00%)	(11.80%)	(11.55%)
Employer Pension	10.86%	12.72%	25.32%	22.54%
Employer Medical Subsidy	0.31%	2.95%	3.84%	3.84%
Total Employer Rate	11.17%	15.67%	29.16%	26.38%
	3.7% increase over FY14/15	10.66% increase over FY14/15	4.3% increase over FY14/15	5.1% increase over FY14/15



City of Nashua

NHRS Pension Costs

Fiscal Year	Actual/ Estimate	NHRS Contribution	\$ Increase (Decrease)	% Increase (Decrease)
2008	Actual	\$ 8,592,317		
2009	Actual	9,137,236	\$ 544,919	6.3%
2010	Actual	10,703,913	1,566,677	17.1%
2011	Actual	11,840,610	1,136,697	10.6%
2012*	Actual	14,759,025	2,918,415	24.6%
2013	Actual	14,571,560	(187,465)	-1.3%
2014	Actual	18,450,237	3,878,677	26.6%
2015	Estimate	19,300,000	849,763	4.6%
2016	Estimate	\$ 21,200,000	\$ 1,900,000	9.8%
8 Year Increase			<u>\$ 12,607,683</u>	
% Increase from 2008			146.7%	
<i>*State Subsidy Eliminated</i>				



School Department Budget Analysis

FY 2008 – FY 2016

No.	<u>Fiscal Year</u>	<u>Operating Budget</u> ¹	<u>(Decrease)</u>	<u>(Decrease)</u>	<u>Spending Cap</u>
1	FY 2008	\$ 81,044,442			
2	FY 2009	86,341,593	5,297,151	6.5%	3.3%
3	FY 2010	88,480,820	2,139,227	2.5%	3.4%
4	FY 2011	93,425,591	4,944,771	5.6%	2.2%
5	FY 2012	94,478,076	1,052,485	1.1%	2.0%
6	FY 2013	95,713,047	1,234,971	1.3%	1.7%
7	FY 2014	97,464,345	1,751,298	1.8%	2.3%
8	FY 2015	100,612,192	3,147,847	3.2%	2.1%
9	FY 2016	\$ 102,121,375	\$ 1,509,183	1.5%	1.5%
10					
11	Cumulative since FY 2009		\$ 21,076,933	26.0%	
12					
13		<u>Fully Allocated Budget</u> ²			
14	FY 2014	\$ 142,432,983			
15	FY 2015	\$ 145,577,888			
16					

¹Excludes Pensions, Benefits, & Debt

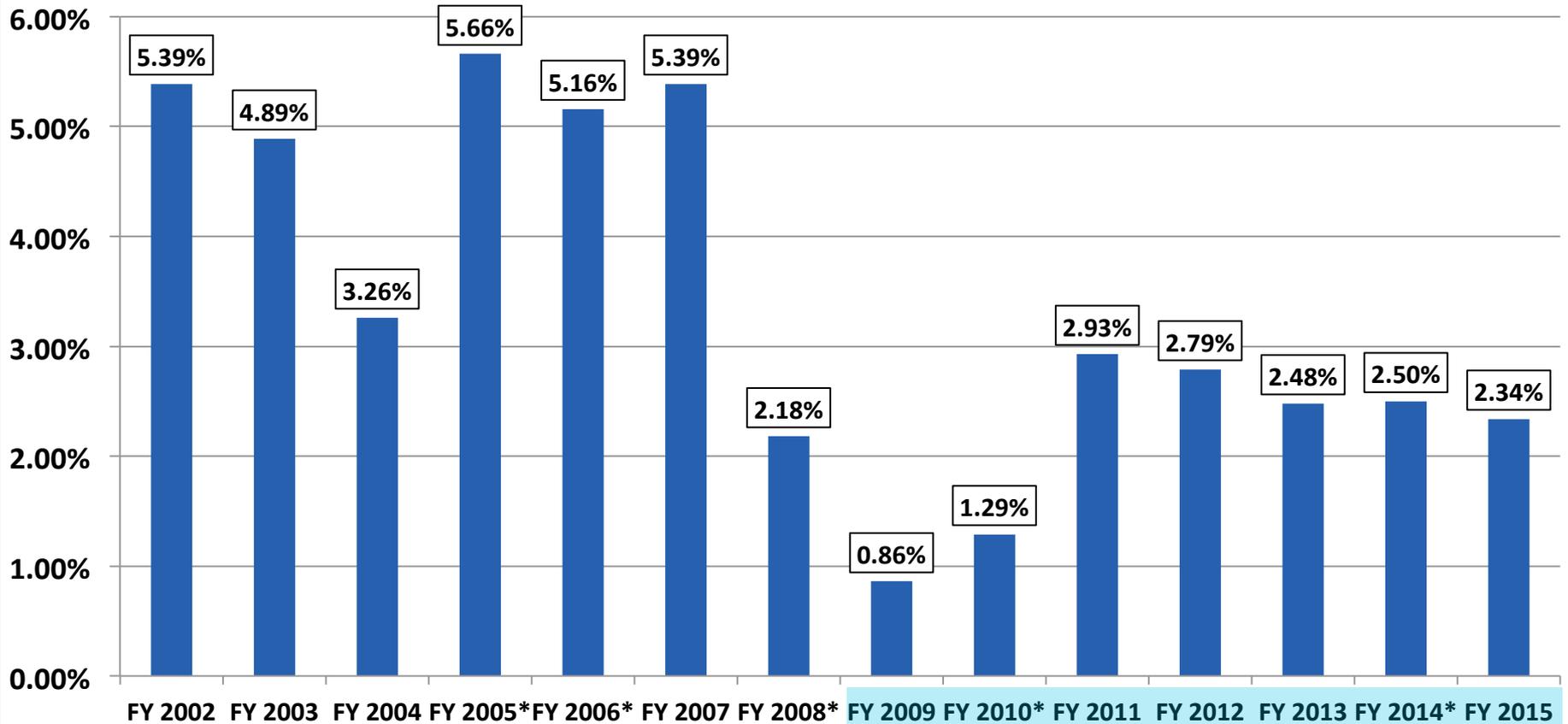
²Includes Pension, Benefits, Debt, & Contingency



FY 2016 Budget Challenges



Tax Rate Management



*Update Year - % increase in amounts raised by taxes



Questions?

