

# ANNUAL TOWN MEETING PUBLIC PRESENTATION

Monday, May 18, 2015

Prepared by the Town of Weymouth

# Budget Overview

*“We must consult our means  
rather than our wishes.” – George Washington*

**The Fiscal Year 2016 budget is balanced and stable.**

**However, it does not reflect our wishes.**

**Our Town deserves more – more funding for schools,  
roads, public safety, human services & recreation.**

**CFO Bill McKinney will outline and explain the  
development of the FY2016 budget.**

# Available Revenue by Year

Fiscal Yr.	Budget	% Change		State Aid	% Change
FY2016	\$149,046,710	3.71%		\$36,286,537	0.79%
FY2015	\$143,710,028	2.94%		\$36,001,399	1.26%
FY2014	\$139,610,403	3.32%		\$35,552,221	2.76%
FY2013	\$135,119,271	3.72%		\$34,595,794	6.39%
FY2012	\$130,273,073	3.26%		\$32,517,373	5.58%
FY2011	\$126,159,059	-0.60%		\$30,800,048	-4.07%
FY2010	\$126,914,669	-1.81%		\$32,106,264	-11.39%
FY2009	\$129,257,203	2.27%		\$36,233,121	6.61%
FY2008	\$126,384,511			\$33,987,660	

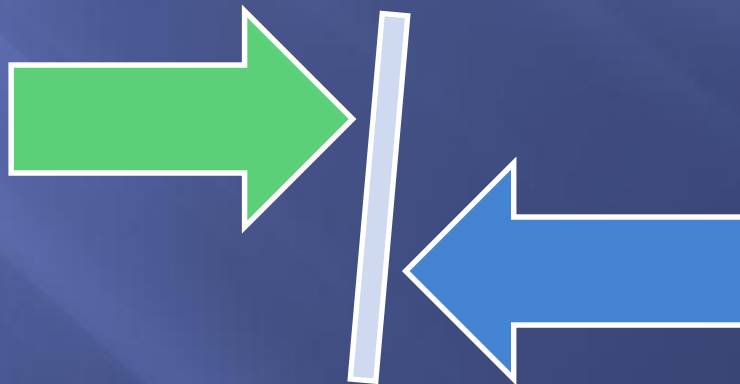
# Local Aid Comparison

Revenue	FY2013	FY2014	FY2015	FY2016
Education Aid	\$ 27,175,365	\$ 27,422,284	\$ 27,539,050	\$ 27,585,667
Local Aid (General Govt.)	\$ 6,842,039	\$ 7,549,641	\$ 7,759,007	\$ 8,038,331
Veterans' Benefits	\$ 339,577	\$ 313,256	\$ 458,234	\$ 413,354
All other aid	\$ 238,813	\$ 237,040	\$ 245,108	\$ 249,185
<b>Total</b>	<b>\$ 34,595,794</b>	<b>\$ 35,522,221</b>	<b>\$ 36,001,399</b>	<b>\$ 36,286,537</b>

# Local Aid Comparison

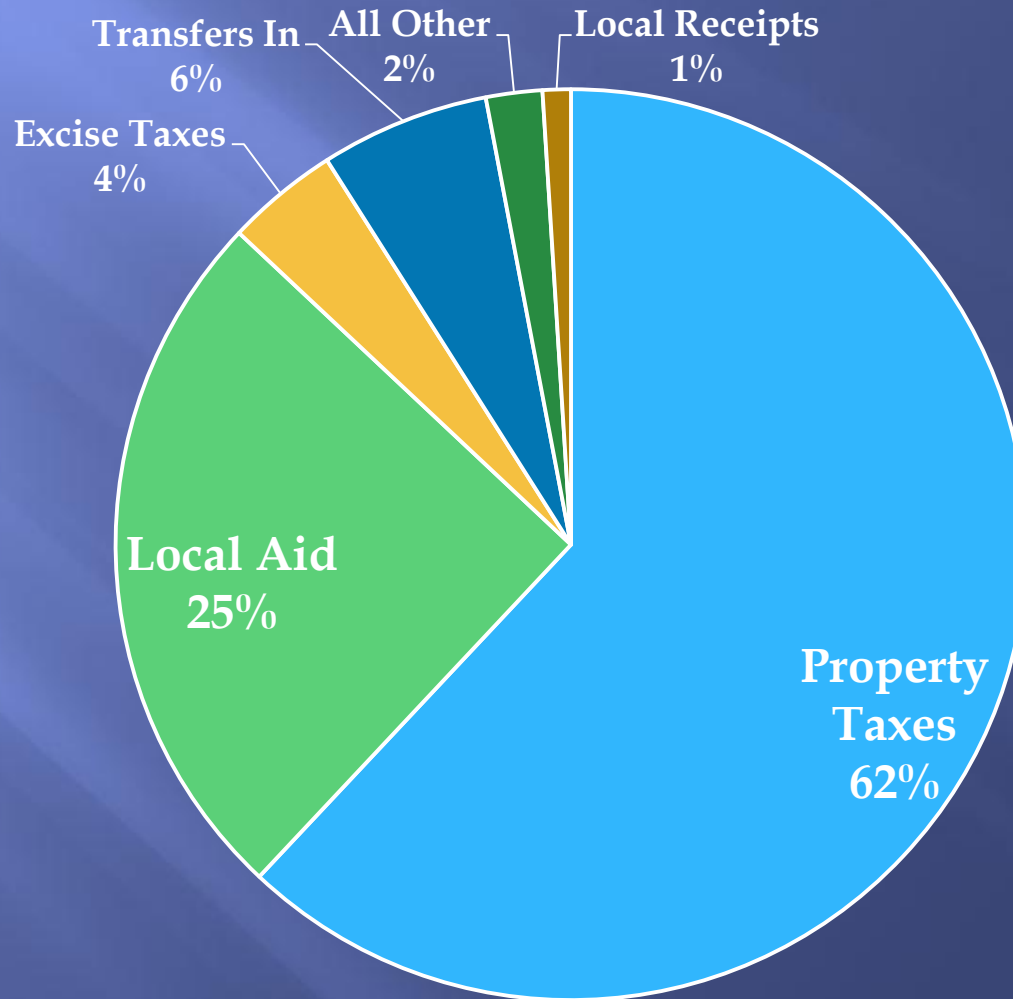
Revenue	FY2013	FY2014	FY2015	FY2016
Total	\$34,595,794	\$35,522,221	\$36,001,399	\$36,286,537
Increase from previous year	\$ 2,078,421	\$ 926,427	\$ 479,178	\$ 285,138
Increase as %	6.4%	2.7%	1.3%	0.8%

1.2% avg.  
increase  
per year



2.1% avg.  
inflation  
per year

# Sources of Revenue FY2016



# Revenue Increase from Fiscal Year 2015 to 2016

Revenue Source	Change Amount
Local Receipts      (local services fees)	\$ (300,000)
Excise Taxes          (vehicles and boats)	\$ 400,000
Local Aid              (money from state)	\$ 280,000
Transfer Funds      (water, sewer, CPA*)	\$ 70,000
Misc. Revenues      (earned interest, motel tax, etc.)	\$ 120,000
Property Taxes      (real estate/personal property) <i>includes SouthField</i>	\$ 4,730,000
<b>Total Revenue Increase</b>	<b>\$ 5,300,000</b>

\*CPA describes Community Preservation Act Funds

# Revenue Sources: Descriptions

## ▣ Local Receipts

- Mayor's office
- Town Clerk's office
- Building, electrical & plumbing permits
- Public safety fines
- DPW fees
- SouthField payments for local services

## ▣ Local Aid

- MA Ch. 70 Education
- General government
- Veterans' benefits

## ▣ Property & Excise Taxes

- Real estate & PILOT
- Personal property
- Motor vehicle & boat excises

# Revenue Sources: Descriptions

## ▣ Transfer Funds

- Sewer
- Water
- Special Revenues
  - ▣ Waterways
  - ▣ Rubbish
  - ▣ Community Preservation Act (CPA)

## ▣ Misc. Revenue

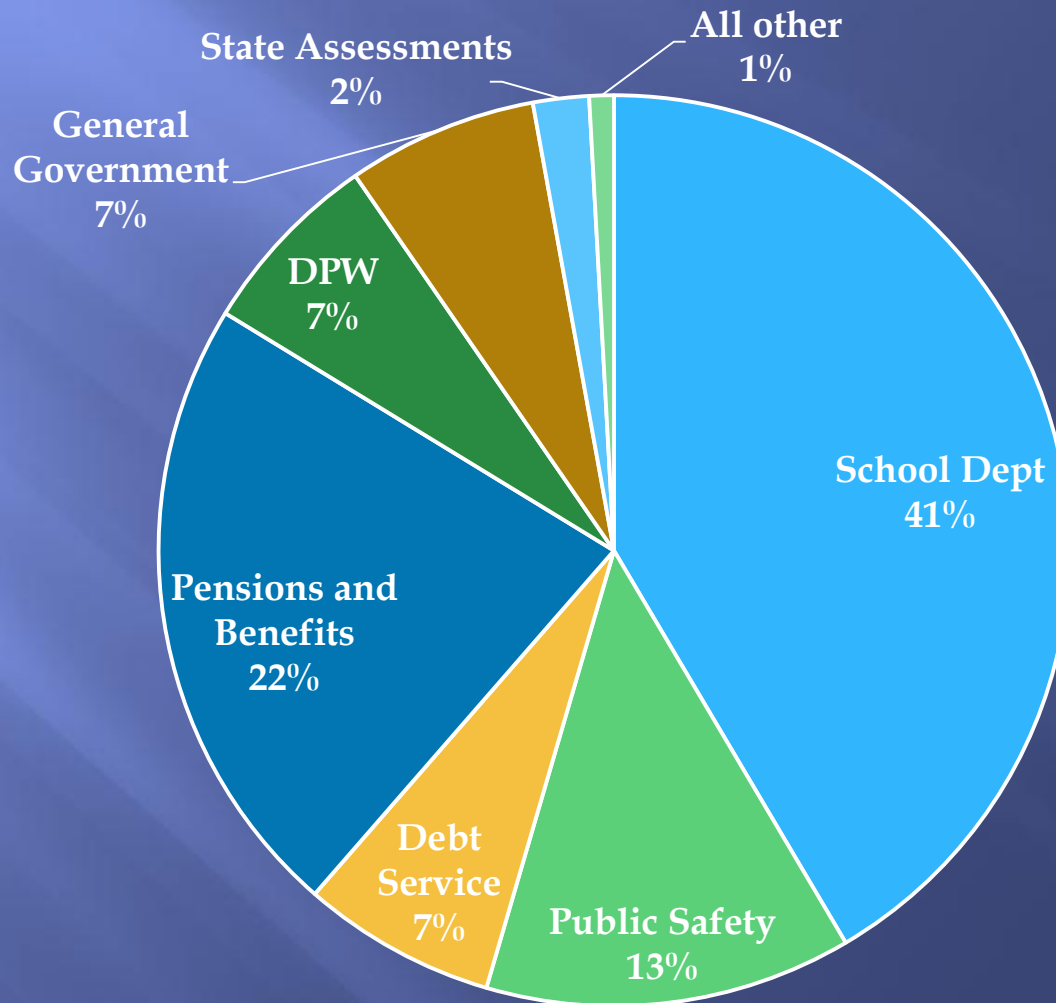
- Interest income
- Meals Tax
- Motel occupancy tax
- Everything else

# SouthField Tax Impact in Fiscal Year 2016

*SouthField is generating only marginal new revenue for the Town.  
For the next several years, the costs of services will exceed newfound revenue.*

Impact	Revenue (est.)
New Growth (real estate/personal property taxes)	\$ 2,100,000
Chargeback for Infrastructure Bond	\$ (600,000)
Revenue Loss in Payments for Local Services	\$ (400,000)
Increase for Overlay for Abatement	\$ (100,000)
<b>Net Impact from SouthField for FY16</b>	<b>\$ 1,000,000</b>

# Expenses FY2016



# Expense Increases from Fiscal Year 2015 to 2016

Expense	Increase Amount
Debt Service	\$ 400,000
State Assessments	\$ 150,000
Overlay for Abatements	\$ 100,000
Pensions & Other Benefits	\$ 1,690,000
Public Safety	\$ 1,130,000
Other General Government Operations	\$ 130,000
School Department Operations	\$ 1,700,000
<b>Total Expense Increase</b>	<b>\$ 5,300,000*</b>

\*The total expense change matches the total revenue change for a balanced budget.

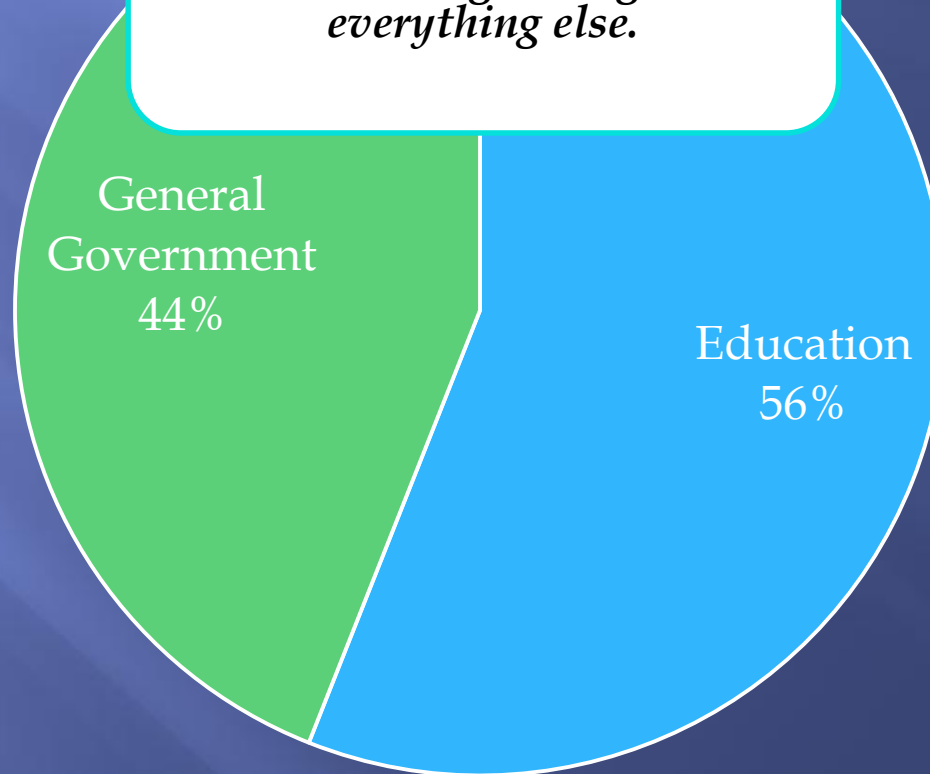
# Relationship of Education & General Government Spending

- ▣ Education expenses include the School Department's budget plus its portion of the following items which are shared with the general government operations:
  - Debt
  - Pensions for non-teachers
  - Health insurance
  - Medicare taxes
  - Unemployment
  - Finance/IT (cost is apportioned)
  - Worker's compensation

# Education & General Government Expenses FY2016

*For every dollar of revenue,  
\$0.56 goes to education.*

*The remaining \$0.44 goes to  
everything else.*



# Enterprise Funds

*Enterprise funds are fee-driven accounts collected and budgeted for sewer & water expenses. They cannot be used for other purposes.*

## ▣ Sewer Enterprise Fund \$ 15,315,220

- Presents level service budget
  - ▣ Increase in MWRA charges
  - ▣ Increase in salaries
  - ▣ Increase for utilities
  - ▣ Increase in debt costs

## ▣ Water Enterprise Fund \$ 9,797,056

- Presents level service budget
  - ▣ Increase in salaries
  - ▣ Increases for utilities, chemicals and materials
  - ▣ Decrease in debt costs

# Community Preservation Funds

*CP funds are raised through a 1% surcharge on property plus a state match.  
They are regulated under the Community Preservation Act (CPA).*

## ▣ **Total Revenue FY16 (est.)      \$ 735,000**

- 1% surcharge                      \$ 579,000
- State match (26%)              \$ 150,000
- Interest income                 \$    1,000
- Penalties & interest            \$    5,000  
on late payments

# Legal Requirements for CPA Funds

- ▣ State law requires communities to set a portion of CPA funds aside for reserves each year.
- ▣ From FY16's total revenue, a 10% minimum must be allocated to the each of the following:
  - Open Space Mandatory Set Aside Reserve
  - Historic Resources Mandatory Set Aside Reserve
  - Community Housing Mandatory Set Aside Reserve
- ▣ Funds may be spent during FY16 or set aside for future projects within their allocated category.

# Collective Bargaining Agreements

## ▣ **Contracts settled thru FY17**

- School Department
  - Custodians
  - Maintenance Workers

## ▣ **Contracts settled thru FY16**

- SEIU (clerical and custodial Town employees)
- AFSCME (DPW)
- Library Employees
- Firefighters
- Police Department
  - Dispatchers
  - Patrol Officers
  - Superior Officers

## ▣ **Contracts settled thru FY15**

- School Department
  - Unit A (Teachers)
  - Cafeteria Workers
- Police Department
  - Traffic Supervisors

## ▣ **Contracts settled thru FY14**

- School Department
  - Unit B (Directors)
  - Van Drivers

## ▣ **Contracts settled thru FY13**

- School Department
  - Unit D (Paras)

# Free Cash Explanation

- ▣ Free Cash is a community's remaining funds from operations of the previous fiscal year.
- ▣ It is *one-time* money resulting from excess revenue and/or unspent department balances.
- ▣ Reasons for the amount of Free Cash vary each year:
  - Host Community payments
  - Tax lien auctions
  - Other one-time receipts

# Free Cash from FY2015

- ▣ We estimate Free Cash will be \$2 million.
  - Collection rates for local taxes are nearly on target
    - ▣ Motor vehicle excise taxes – higher than budgeted
    - ▣ Real estate taxes – lower than budgeted
    - ▣ Personal property taxes – higher than budgeted
- ▣ We will closely monitor revenues and expenses as FY15 closes.
- ▣ Free Cash plays a role in sustaining a community's strong credit rating.
- ▣ The Dept. of Revenue recommends that Free Cash not be depleted in one year so the following year's calculation begins with a positive balance.

# Level Service Funding Needs

*A level service budget describes the amount of funding required for Departments to maintain their current levels of service.*

Department	Funding increase requested for level service	Actual funding increase (FY16)	Shortfall for level service
Library	\$ 78,000	\$ 35,000	\$ (43,000)
Veterans' Services	\$ 54,000	\$ 4,000	\$ (50,000)
Fire Dept.	\$ 524,000	\$ 160,000	\$ (364,000)
Police Dept.	\$ 1,378,000	\$ 966,000	\$ (412,000)
DPW	\$ 734,000	\$ 185,000	\$ (549,000)
Schools	\$ 3,835,000	\$ 1,706,000*	\$ (2,129,000)
<b>Total</b>			<b>\$ (3,547,000)</b>

\*An additional one-time Free Cash measure for \$1.3M has also been proposed.

# Projecting into FY2017

Revenue (est.)	Increase
Property Taxes (2.5%)	\$ 4,000,000
Local Aid	\$ 200,000
<b>Total</b>	<b>\$ 4,200,000</b>

Expense (est.)	Increase
State assessments (5% increase)	\$150,000
Pension (3.75% increase)	\$350,000
Heath Ins. (6% increase)	\$1,290,000
<b>Total</b>	<b>\$1,790,000</b>

*Unless revenue trends change, it will be an ongoing challenge just to meet level service funding.*

*Funds for all government operations are estimated to increase by only \$2.4M in FY17.*

*The largest portion of new revenue each year always comes from local property taxes, not local aid.*

Revenue Increase	\$ 4,200,000
Expense Increase	\$ 1,790,000
<b>New Funds Available for all Govt. Operations</b>	<b>\$ 2,410,000</b>

# Real Estate Tax Levy

*The tax levy is the total amount a community can raise by taxing property. State law generally caps the increase of the tax levy at 2 ½ percent a year.*

- ▣ The real estate tax levy for FY2016 is \$ 89,945,120.
- ▣ The tax rate is the percentage of the levy applied to each property.
- ▣ To determine the rate, we divide the levy by the total assessed value of the Town. We then “shift” the rate over different property types (residential, commercial, etc.).
- ▣ The town-wide valuation for FY2015 was \$ 6.2 billion.
- ▣ Using the FY2015 valuation, an estimated tax rate for FY2016 is  $\$90\text{M}/\$6.2\text{B} = \underline{\$14.51 \text{ per } \$1,000}$  before the shift

# Real Estate Tax Levy

- ▣ An increase or decrease in property values does not affect the tax levy (i.e., total amount raised)
- ▣ It affects only the tax rate – that is, the portion of the levy applied to each property.

*The tax rate changes based on valuation but the levy stays the same.*

- ▣ Let's use FY2017 as an example:
  - FY2017's tax levy will be \$90M (FY16 levy) + 2.5% + new growth = \$94M (guess est.)
  - If the town-wide valuation was \$6.2B (same as FY15) → tax rate would be \$15.16 per thousand before the shift
  - If the town-wide valuation was \$7B (more than FY16) → tax rate would be \$13.43 per thousand before the shift
  - If the town-wide valuation was \$5B (less than FY16) → tax rate would be \$18.80 per thousand before the shift

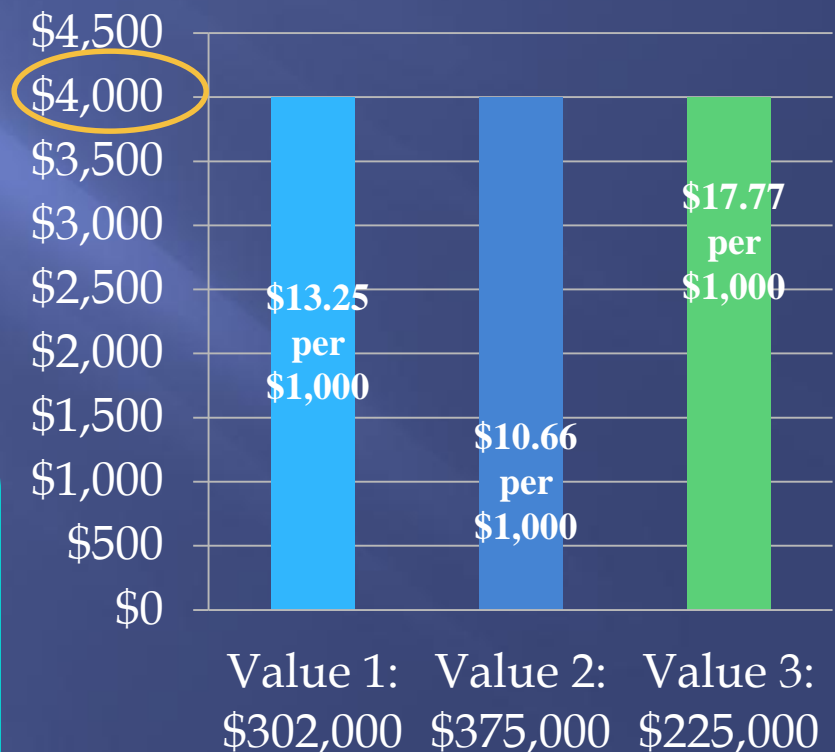
# How Changes in Property Value Affect the Amount Paid by a Homeowner

Property Value	Tax Rate per \$1,000	Amount Collected
\$302,000 (Wey. avg.)	\$13.24	\$4,000
\$375,000	\$10.66	\$4,000
\$225,000	\$17.77	\$4,000

*Even as the property value goes up and down, the homeowner pays the same total.*

*The rate changes but the amount collected (i.e., the levy) ends up being the same in all scenarios.*

## Amount Collected from Homeowner



# Budget Summary

As presented, this budget does not allow for any growth.

Nor does it fulfill our wishes for Weymouth.

However, additional measures have been proposed to address our community's operational and capital needs for FY 2016.

# Additional Measures to Meet Funding Needs

- ▣ \$1.3 million Free Cash transfer to schools for special education out-of-district tuition
- ▣ Bonding for \$3.2 million to complete various capital projects
- ▣ Debt refinancing to reduce interest costs and payments
- ▣ Proposition 2 ½ override ballot initiative

*Many elected officials believe a Prop. 2 ½ override offers the only opportunity for our community to meet current and future funding needs.*

# Prop. 2 ½ Override

- ▣ Proposition 2 ½ caps a community's tax levy at 2.5% of the previous year's total (*plus* any new growth).
- ▣ Proposition 2 ½ contains provisions that allow voters to approve exceptions to the 2.5% limit.
- ▣ The levy can be increased by adopting an override.
- ▣ An override is a ballot initiative to raise additional revenues by a specific amount, which becomes part of the base for calculating future levy limits each year.

# Prop. 2 ½ Override

- ▣ The override would immediately raise an additional \$6.5 million in revenue.
- ▣ The new money would be distributed as follows for FY2016 (Year 1):
  - \$ 3,000,000 for Schools
  - \$ 1,000,000 for Police
  - \$ 1,000,000 for Fire
  - \$ 1,000,000 for DPW
  - \$ 500,000 for All other departments

# Prop. 2 ½ Override

- ❑ Departments will receive their full allocations in Year 1 as proposed in the override.
- ❑ Departments choosing to add staff positions with the override revenue must take into account the costs associated with benefits for future years in order to maintain staffing levels.
- ❑ After Year 1, the override revenue will be required to cover these benefit costs first and remaining funds will be allocated through the normal budget process.

*The Departments will outline and explain how they intend to prioritize spending with their allocations in Year 1.*



# Police Department Goals

- ▣ Reach the national average of officers per 1,000 residents (2.4) which equates to 132 sworn police officers.
- ▣ The hiring of 10 additional police officers will bring the Department to 104 sworn officers, much closer to our goal.



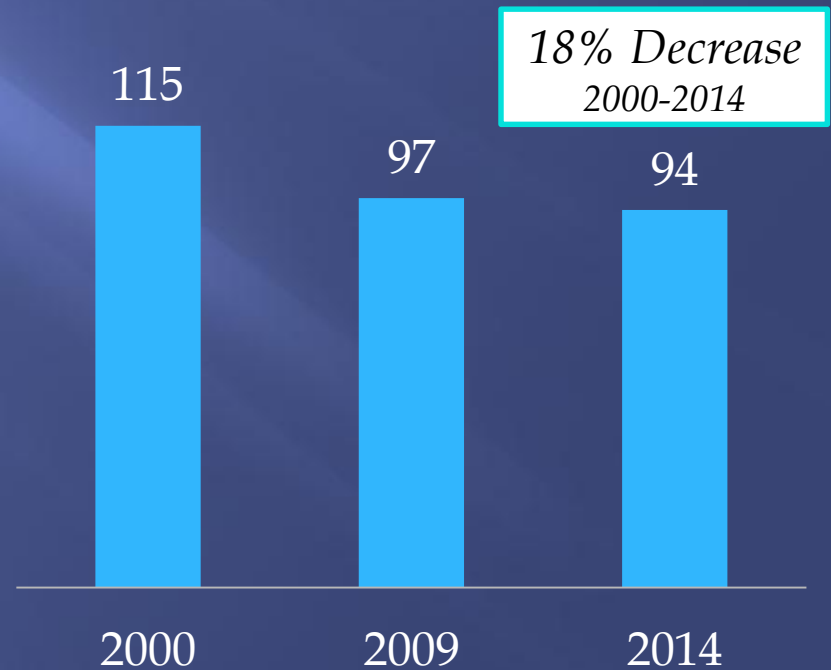
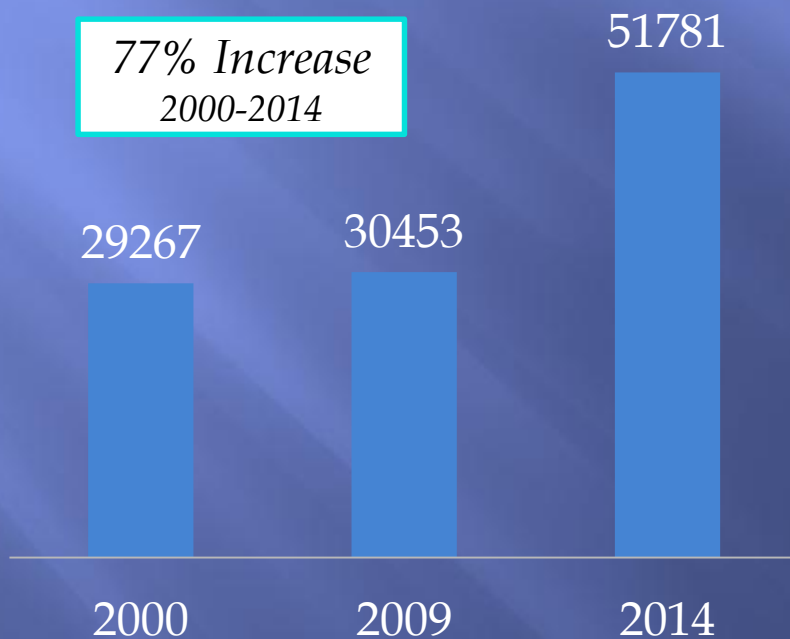
# Calls for Service & Sworn Officers

## Calls for Service

## Sworn Officers

■ Services Calls

■ Sworn Officers





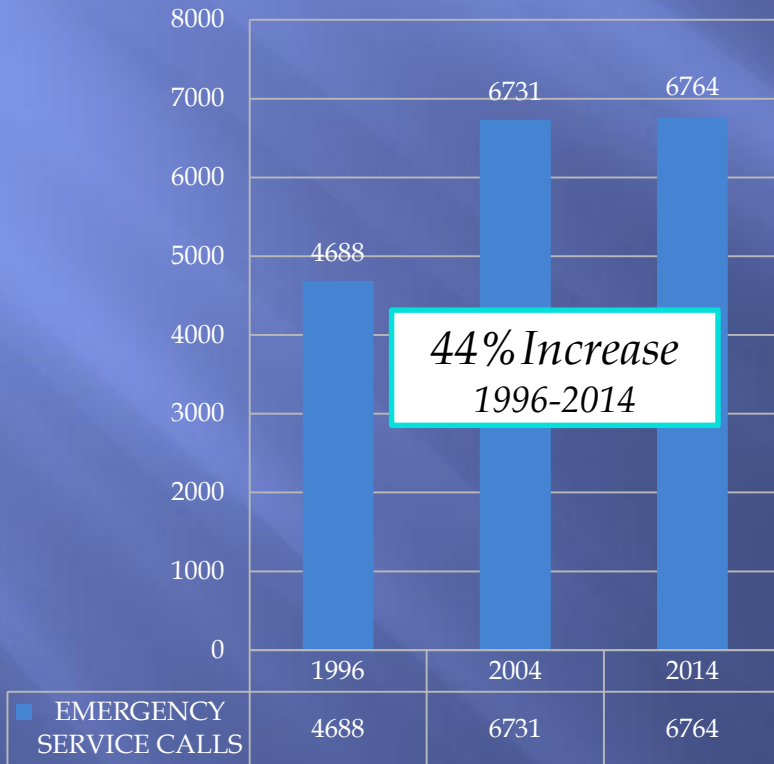
# Fire Department Priorities

- ▣ Staffing
- ▣ New Construction: Fire Station for North Weymouth (North St)
- ▣ Renovation: Station #2 on Broad St

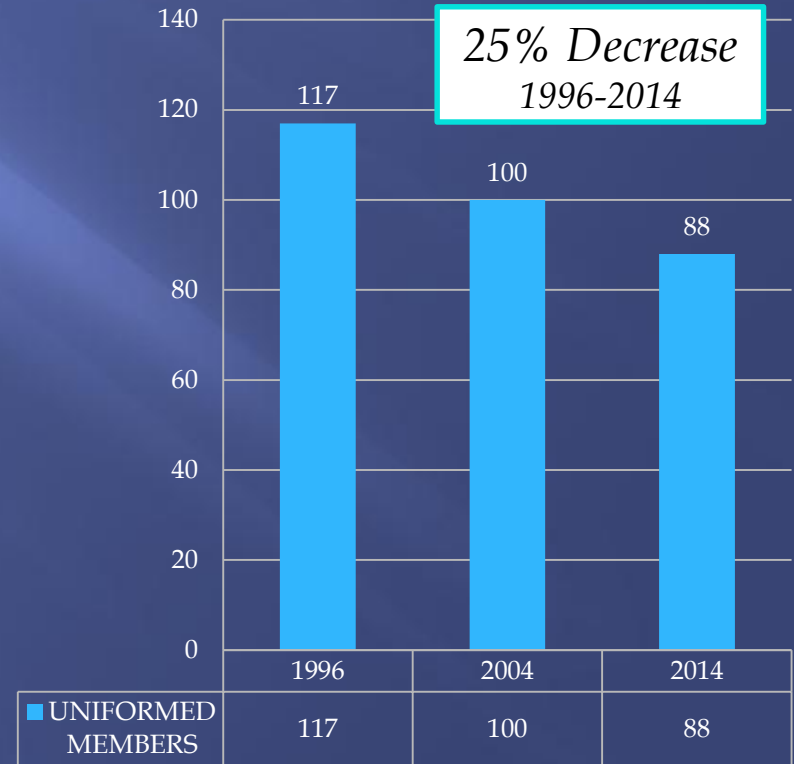


# Calls for Service & Uniformed Members

## Emergency Service Calls



## Uniformed Members



# DPW Priorities & Initiatives

- ▣ **Department Staffing:** Create critical Highway Department Superintendent position and restore positions lost in two departments – Highway and Parks & Trees
- ▣ **Sidewalk Restoration Program:** Repair and restore approximately 3 miles of sidewalk each year.
- ▣ **Parks & Greens Improvement Materials:** Expedite growth and allow for quicker rotation of overused parks for repairs.
- ▣ **Equipment:** Replace damaged/worn equipment

# Other Departments' Priorities

- ▣ McCulloch Building: Replace the roof, gymnasium floor, and HVAC
- ▣ Restore the Veterans Memorial Wall on the Ralph Talbot Amphitheatre
- ▣ Restore level funding to the Libraries



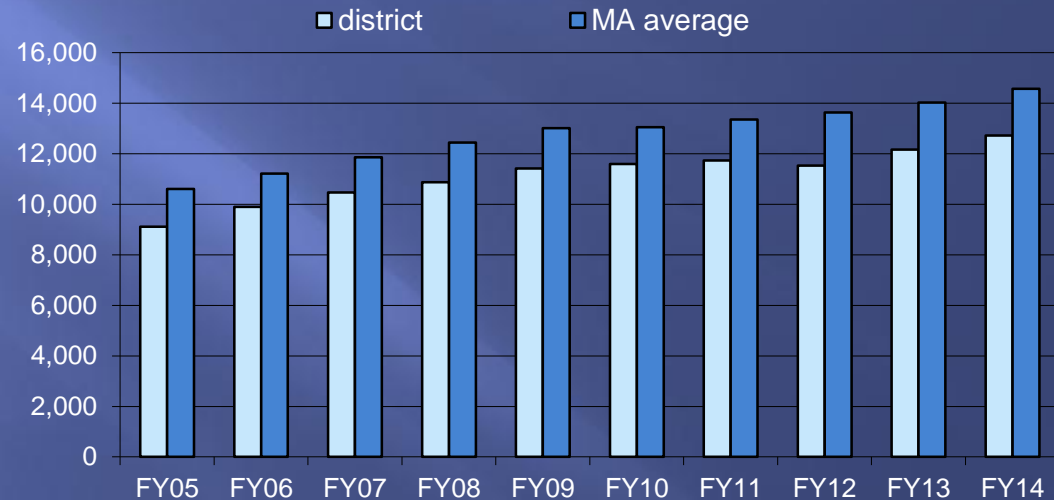
# Schools Per Pupil Expenditure

Per Pupil Expenditure Trends

District and Massachusetts

Average

Fiscal Year	District Per Pupil Expenditure	MA Average Per Public Expenditure
FY2005	\$10,128	\$10,600
FY2006	\$10,855	\$11,210
FY2007	\$11,540	\$11,856
FY2008	\$11,322	\$12,448
FY2009	\$11,196	\$13,006
FY2010	\$11,183	\$13,047
FY2011	\$11,528	\$13,354
FY2012	\$12,125	\$13,637
FY2013	\$12,610	\$14,021
FY2014	\$12,984	\$14,547



**Per pupil expenditure in Weymouth is \$1,563 per student less than the MA state average**

# School Department Summary of Needs List



1. **Tools for Students:** Updated curriculum materials and technology for the classroom
  - Replacement of high school textbooks that are 10+ years old
  - Chromebooks and updated computers for online PARCC testing
  - CTE and Science Lab Equipment
2. **Support for Teachers:** Staff to support teachers with curriculum and technology
  - Instructional coaches in Math and Literacy
  - Curriculum leadership in content areas
  - Reading specialists
3. **Supports for Students with the Greatest Needs:** Resources for students with disabilities and students with social, emotional and behavioral needs
  - Special education teachers and team chairs to support special education programs and inclusion programs
  - Guidance counselor and nursing support
4. **Restoring Science and Enrichment Support**
  - Restoring Science Specialists at Primary School Level
  - Increased Music, Art, Health, PE and Foreign Language opportunities

# Recent Prop. 2 ½ Overrides

- ▣ Across the state, more overrides passed in 2014 than in any of the previous 5 years
  - 24 communities approved overrides
  - The approval rate was higher than in previous years (60% in 2014 versus between 44% and 53% 2009-13)
- ▣ This year, several overrides have or will go before voters
  - Brookline approved a \$7.67 million override
  - Belmont approved a \$4.5 million override
  - Pembroke approved a \$1.3 million override
  - Edgartown approved a \$707,000 override

# Prop. 2 ½ Override Impact

Assessed Residential Property Value (actual FY2015 values)	Increase to Property Tax Bill (based on actual FY2015 values)	
\$200,000	\$188.50/yr.	\$15.70/mo.
3 out of every 5 single family homes (61.8%) will pay \$23.71 or less per month.	\$235.62/yr.	\$19.63/mo.
	\$282.75/yr.	\$23.56/mo.
<b>\$302,000 (Weymouth average)</b>	<b>\$284.63/yr.</b>	<b>\$23.71/mo.</b>
\$350,000	\$329.87/yr.	\$27.48/mo.
\$400,000	\$377.00/yr.	\$31.41/mo.
\$450,000	\$424.12/yr.	\$35.34/mo.
\$500,000	\$471.25/yr.	\$39.27/mo.
<b>Residential tax rate increase</b>	<b>\$ .94 per \$1,000</b>	<b>Less than \$1 more per \$1,000</b>
<b>Commercial/industrial/personal tax increase</b>	<b>\$1.62 per \$1,000</b>	<b>Less than \$2 more per \$1,000</b>

# Property Tax Comparison

*Weymouth has the lowest average single family tax bill in Norfolk County.*

Town or City	Avg. Tax Bill (FY15)	Difference from Wey.
Abington	\$5,022	+\$1,126
Braintree	\$4,185	+\$289
Hingham	\$8,679	+\$4,783
Rockland	\$4,557	+ \$802
Quincy	\$4,981	+\$1,085
State (avg.)	\$5,225	+\$1,329
Weymouth	\$3,896	

**Avg. Single Family Tax Bill Fiscal Year 2015**



# BONDING FOR CAPITAL PROJECTS

Monday, May 18, 2015

MEASURE 15 071

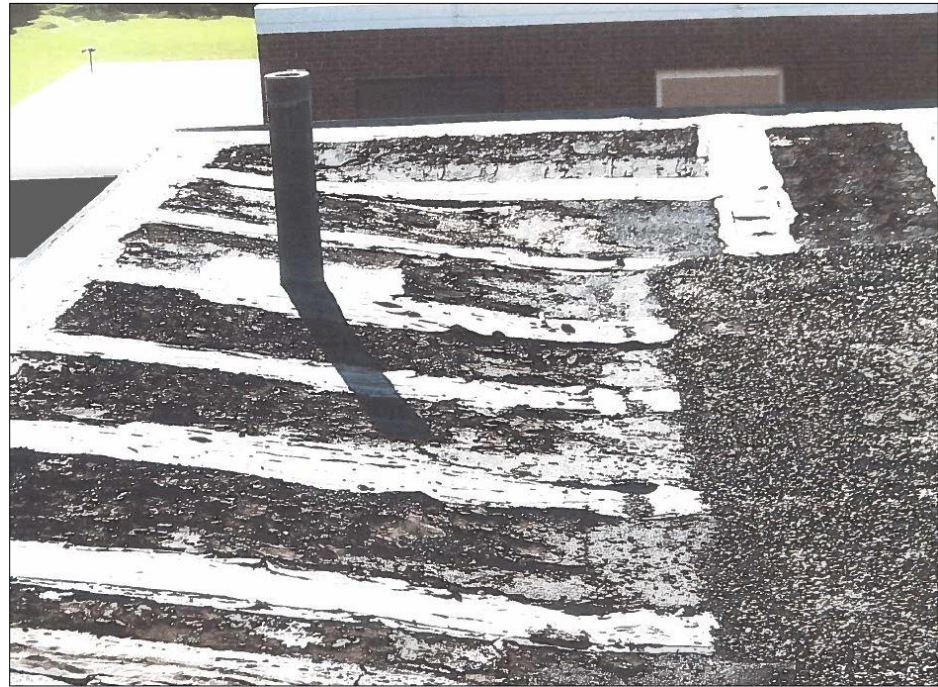
Presentation prepared by Town of Weymouth

# FY 2016 Bonding Measure

- **We are proposing a \$3.2 million bond to complete the following capital projects:**

➤ Johnson School Roof Replacement	\$ 385,000
➤ Abigail Adams School Boiler Replacement	\$ 825,000
➤ Hamilton Doors & Windows Replacement	\$ 175,000
➤ High School Track Repair & Resurfacing	\$ 200,000
➤ Paving for Driveways, Lots and Sidewalks	\$ 695,000
➤ Various Town Building Repairs	\$ 920,000

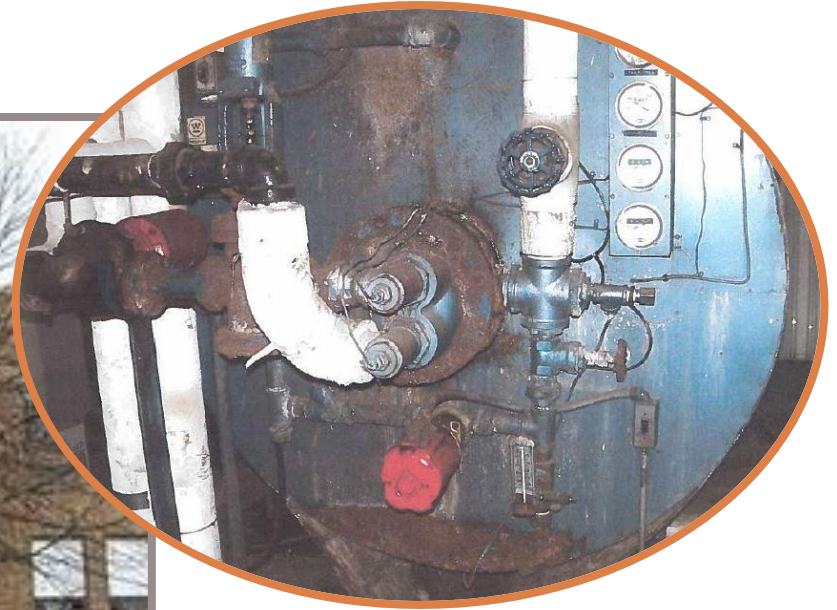
# Johnson School Roof – \$385,000



Phase Four of the Roof Replacement Project

# Boiler Replacement - \$825,000

Abigail Adams Middle School



# Hamilton School Doors & Windows Replacement - \$175,000

Before



After



Before



After



Partially completed in 2013. This will complete the project.

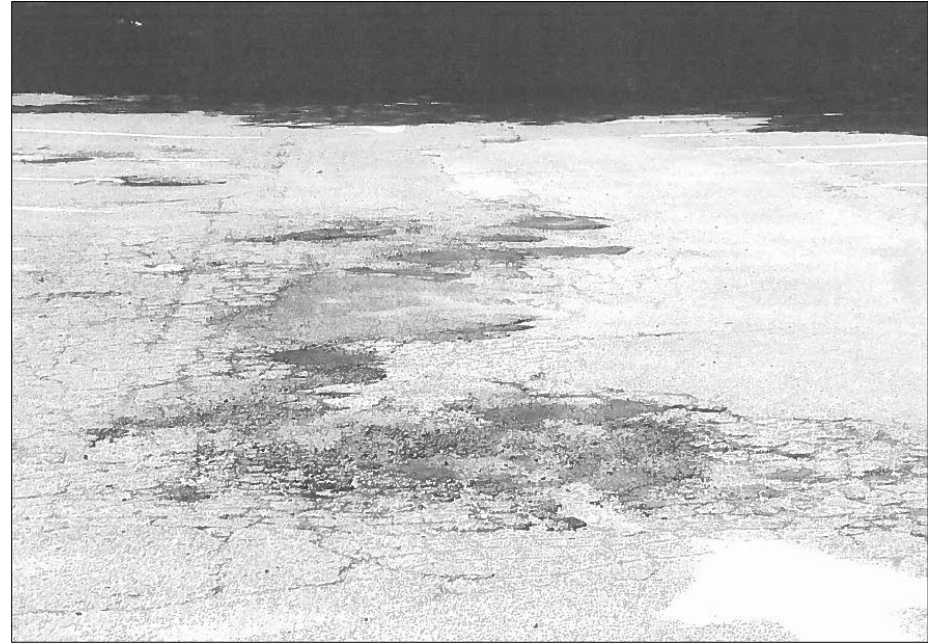
# High School Track Repair and Resurfacing - \$200,000



# Repave various driveways, parking lots, and sidewalks - \$695,000



Hamilton-\$343,000.00



Johnson-\$105,000.00

# Town Building Repairs - \$920,000

- ❑ **Tufts Library**
- ❑ **Police Station**
- ❑ **Town Hall**
- ❑ **DPW Building**



*Tufts Library – roof and gutters*



*Town Hall ceiling*



*DPW Boilers, 1960*



# Tufts Library – Roof and Gutter Replacement



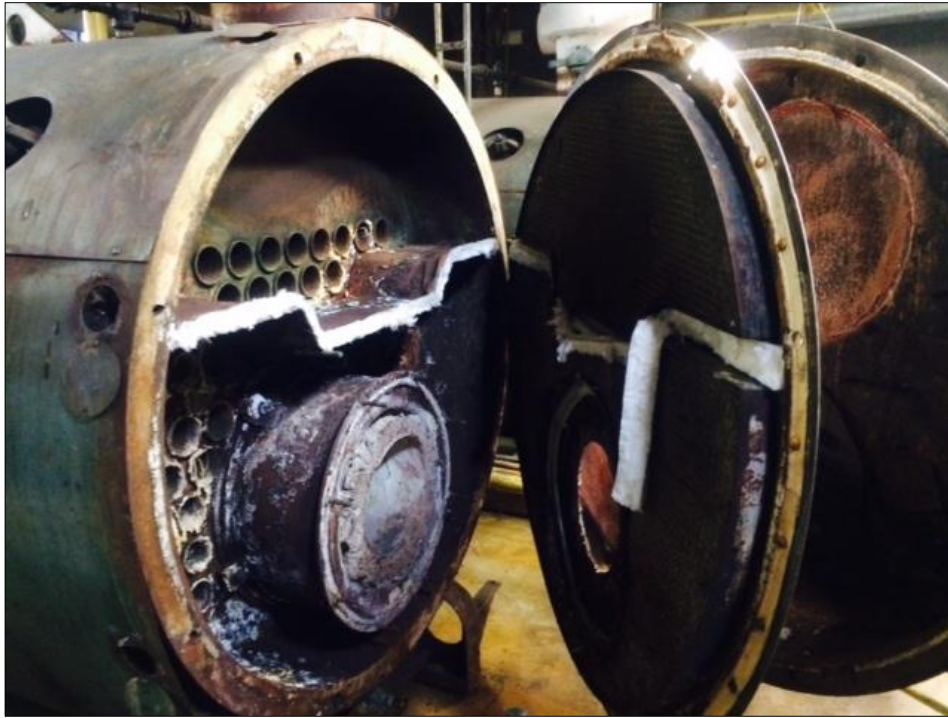
# Police Station – HVAC Controls



# Town Hall – Roof and gutter repairs, cupola replacement, brick repointing, and HVAC



# DPW Building – HVAC and other improvements



Original Boilers from 1960



# BONDING FOR CAPITAL PROJECTS

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MEASURE 15 071

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