

*Town of Weymouth
Massachusetts*

Robert L. Hedlund
Mayor

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Dear Councilors,

I hereby submit my proposed operating budget for Fiscal Year 2017.

The FY17 budget, like several prior budgets, reflects largely level service funding from the previous year. One important distinction is that this budget proposal responsibly balances a \$1.65 million structural deficit that was created by the use of one-time revenues for recurring FY16 operating expenses. The proposed FY17 budget also provides some modest growth as identified in the budget development process in some key departments, including:

- Nearly \$400,000 in operating funding for five (5) Firefighters previously funded through a grant that has expired;
- Funding to cover increasing costs in Veteran Benefits;
- Up to two additional school IT support positions to coincide with a planned \$900,000 capital investment in school IT infrastructure as identified on the school needs list;
- One additional Special Education Teacher as identified on the school needs list;
- A 1% cost of living adjustment for non-union employees;
- Funding to cover increases in recycling costs, mitigating any need for a fee increase.

The Fiscal Year 2017 budget totals \$155,506,272. This budget reflects an increase of \$5,916,584 or 3.97% from Fiscal Year 2016.

On the revenue side, the typical three key factors drive the increase: The Tax Levy, State Aid, and Local Receipts.

Tax Levy: The main factor in increasing operating revenues is our tax levy in the amount of \$3.7 million, which reflects the allowable 2 ½ % increase plus estimated new growth.

State Aid: Our projections, based on the Governor's and House of Representative's budget proposals, include an increase in state aid of about \$900,000 compared with the budgeted amount for FY16. This includes local aid, Chapter 70 education aid, and veterans' benefits.

Local Receipts: Not including special assessments used to pay the SouthField parkway bond, we are projecting a 3.2% increase in FY17 local receipts, driven largely by a \$325,000 increase in motor vehicle excise tax projections as well continued growth from building permit fees.

As we know, personnel costs impact the expense side of the budget significantly more than any other cost. Overall, general government salaries increase by \$730,000 or 2.9%, including a 1% COLA for non-union employees and scheduled step increases. FY17 pension (retirement) costs are projected to grow by \$343,000 or 3.6% over the current fiscal year. Based on the Governor's FY17 budget, state assessments are budgeted to increase by \$420,000 (14%). We are fortunate that the town's health insurance costs are scheduled to increase by less than one percent or \$130,000 due to a concerted effort to have employees switch to less expensive but comparable health plans.

The total proposed FY17 school department appropriation is \$65,160,413, which is an increase of over \$3.1 million from the FY16 operating budget level. Over the last three years and most recently in FY16, the school budget included supplemental Free Cash on a regular basis just to reach level services. In FY16, the school budget included \$1.65 million from Free Cash. **The majority of this FY17 increase over FY16 comes from closing the structural deficit created when \$1.65 million in Free Cash was used to supplement the FY16 school budget.** By doing so, we have a more fiscally responsible school budget that will allow for better planning and consistency of services starting at the beginning of the fiscal and school year. When you factor in the \$1.65 million in Free Cash used for FY16, the FY17 increase over current school spending is about \$1.5 million or 2.5%.

In addition to my proposed school operating budget, utilizing Free Cash, **I will be filing capital measures that look to invest over \$1 million in school IT and curriculum needs.** I am confident that this investment in our schools and students will have a significant impact on the quality of education in Weymouth. I am encouraged by the new and ongoing collaboration between my office and school administration. We have identified ways in which the town and schools can work together to achieve savings and make the most of the money we spend, particularly with IT expenses.

The Capital Improvement Plan (CIP) previously submitted to Council outlines and identifies priorities for the next five years. A continued and growing commitment to Weymouth's many infrastructure and other capital needs is critical to improving the value of our community. As part of that effort, I have already submitted several capital measures to Council, including measures to **improve traffic lights, upgrade our Senior Center, repair our sidewalks, replace dilapidated wooden guardrails, and refurbish many of our parks and playgrounds.** In addition, I will soon be offering a bond measure to spend \$3 million on **a more aggressive road and sidewalk repair and replacement program.**

I include a measure recommending a Community Preservation Committee budget increase of \$41,000 for a FY17 total of \$776,000 with no specific project requests.

The Sewer Department budget will increase by about \$582,994 due to an anticipated 5.7% increase by the MWRA. The Water Department budget will increase by only \$613. Our goal is to minimize any rate increase while adjusting to the significantly higher MWRA assessment and addressing the needs of these systems.

Also included with my FY17 budget proposal is a measure to pay prior year unpaid bills, as well as measures to reauthorize the traditional revolving and gift accounts.

I am confident that this is a solid budget proposal that takes into account the many discussions with every town department, input from community interests and individuals and Town Council meetings over the course of the last three – four months. Thank you for your input and feedback as this budget was being developed. I look forward to continued productive discussion and collaboration. As always, my staff and I are available to assist in your deliberations.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Hedlund". The signature is fluid and cursive, with the first name "Bob" written in a larger, more prominent script than the last name "Hedlund".

Robert L. Hedlund
Mayor