

Fiscal Year 2018 Mayor's Budget Presentation



May 22, 2017
Mayor Bob Hedlund



Mayor Hedlund's Fiscal Year 2018 Budget

SUMMARY

- **\$162.2 million Operating Budget ... a 4.3% increase over FY17**
- **A Balanced, Fiscally Responsible Operating Budget**
 - **Built on recurring, predictable sources of revenue (no Free Cash)**
- **A Budget with Modest Growth to Address Primarily Personnel Obligations/Needs**
 - **Several Collective Bargaining Agreements Settled (FY17 & FY18)**
 - **1.5% COLA increase for non-union personnel (non-schools)**
- **School Budget increasing \$2.9 million (4.5%), slightly higher than level services**
- **Increases in Pension and Benefits Cost ... 21.5% of Operating Budget**
 - **2.0% Increase in Health Care Benefits (\$434,177)**
 - **6.5% Increase in Contributory Retirement (\$647,752)**
- **Increase in State Assessments more than increase to State Aid (Cherry Sheets)**



Mayor Hedlund's Fiscal Year 2018 Budget

OPERATING REVENUE

| | FY17 budgeted | FY18 budgeted | Variance |
|-----------------------------|----------------------|----------------------|---------------------------|
| <u>Total Revenue</u> | \$155,506,272 | \$162,171,975 | \$6,665,703 (4.3%) |
| Tax Levy | \$97,255,945 | \$101,383,864 | \$4,127,919 (4.2%) |
| Local Receipts* | \$12,900,000 | \$13,907,100 | \$1,007,100 (7.8%) |
| State Aid | \$37,193,663 | \$38,428,546 | \$1,234,883 (3.3%) |

These three revenue sources make up 95% of total revenue.

Tax Levy = 62.5%

Local Receipts = 8.6%

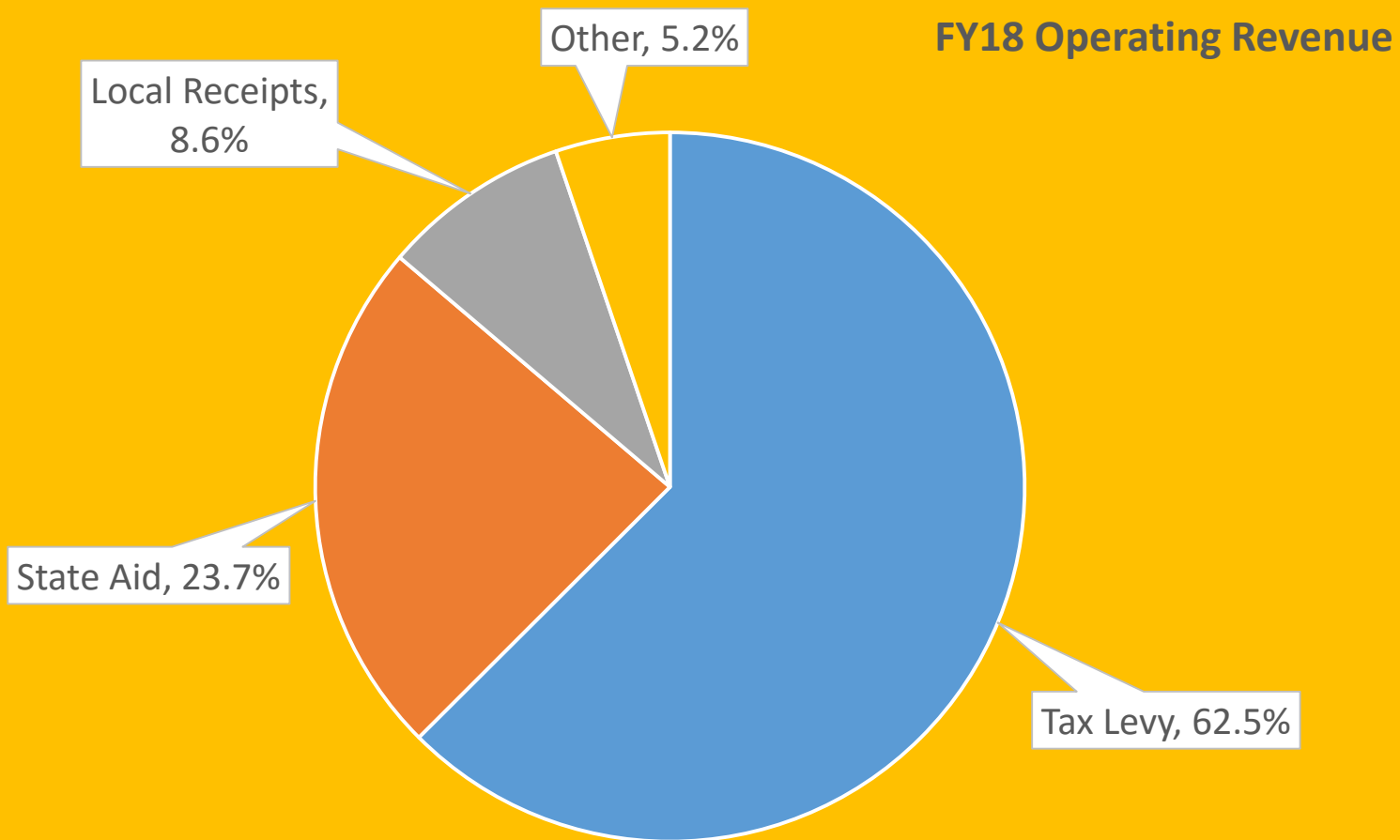
State Aid = 23.7%

***Includes MVE, licenses/permits, meals tax, PILOT, tax penalties and interest, and Southfield special assessments collected to pay parkway bond.**



Mayor Hedlund's Fiscal Year 2018 Budget

OPERATING REVENUE





Mayor Hedlund's Fiscal Year 2018 Budget

OPERATING REVENUE

Total FY18 Revenue: **\$162,171,97**
Increase over FY17: **\$6,665,703**

REVENUE FACTORS

Tax Levy: \$4.1 million increase (4.2%)

- FY17 Tax Levy Limit plus 2.5%
- FY18 estimated New Growth is \$1.45 million (FY17 actual was \$1,058,858)

Local Receipts: \$1 million increase (7.8%)

- Building Permit Revenue and Motor Vehicle Excise account for 85% of the increase

State Aid: \$1,234,883 increase (3.3%)

- Estimated Chapter 70 increase of \$187,890 (0.7%) based on House & Senate Budget
- Estimated UGGA increase of \$326,975 (3.9%) based on House & Senate Budgets
- Charter School Tuition Reimbursement \$650,000 more than budgeted in FY17



Mayor Hedlund's Fiscal Year 2018 Budget

OPERATING EXPENDITURES

| | FY17 | FY18 | Variance |
|-------------------------------|----------------------|----------------------|----------------------------|
| Total Expenditures | \$155,506,272 | \$162,171,975 | \$6,665,703 (4.3%) |
| Town Departments | \$40,708,404 | \$41,852,972 | \$1,144,568 (2.8%) |
| Debt Service | \$9,958,884 | \$10,044,280 | \$85,396 (0.9%) |
| Schools | \$65,160,413 | \$68,069,237 | \$2,908,824 (4.5%) |
| State Assessments | \$3,377,146 | \$4,974,730 | \$1,597,584 (47.3%) |
| Charter School Tuition | \$1,473,061 | \$3,032,976 | \$1,559,915 (106%) |
| Pensions/Benefits | \$33,267,000 | \$34,847,262 | \$1,061,929 (3.1%) |



Mayor Hedlund's Fiscal Year 2018 Budget

CHERRY SHEETS (LOCAL AID)

| State Aid | FY17 Budget | FY18 Budget | Variance |
|-----------------------|---------------------|---------------------|--------------------|
| Chapter 70 | \$27,883,625 | \$28,071,515 | \$187,890 |
| UGGA | \$8,383,979 | \$8,710,954 | \$326,975 |
| Charter Reimb. | \$250,000 | \$901,663 | \$651,663 |
| TOTAL Revenue | \$37,193,663 | \$38,428,546 | \$1,234,883 |

| State Assmnts | FY17 Budget | FY18 Budget | Variance |
|------------------------|--------------------|--------------------|--------------------|
| MBTA | \$1,198,564 | \$1,207,418 | \$8,854 |
| Charter Tuition | \$1,473,061 | \$3,032,976 | \$1,559,915 |
| TOTAL Expense | \$3,377,146 | \$4,974,730 | \$1,597,584 |

Cherry Sheet Deficit: (\$362,701)



Mayor Hedlund's Fiscal Year 2018 Budget

OPERATING EXPENDITURES

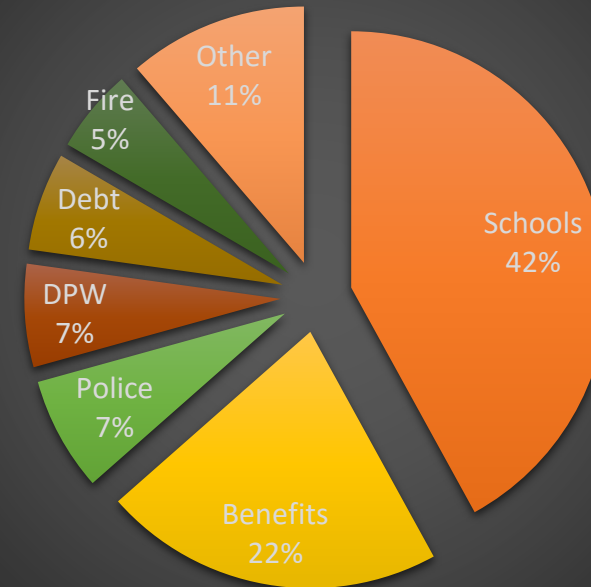
Total FY18 Revenue:
Increase over FY17:

\$162,171,975
\$6,665,703

Percentage of FY18 Operating Budget

| | |
|-------------------------|-----------------------------|
| Schools | 42.0% (\$68,069,237) |
| Pension/Benefits | 21.5% (\$34,847,262) |
| Police | 7.2% (\$11,735,772) |
| Public Works | 6.5% (\$10,497,569) |
| Debt Service | 6.2% (\$10,044,280) |
| Fire | 5.3% (\$8,588,100) |

% of Operating Budget





Mayor Hedlund's Fiscal Year 2018 Budget

OPERATING EXPENDITURES

Addressing Needs in FY18

FY18 Budget includes funding for...

2 additional Police Officers

1 additional Fire Fighter (in addition to grant application)

2 additional DPW workers for park maintenance

2 additional School positions

– Curriculum Leader and SPED Teacher

Additional funding for 3 Health positions (less grant \$)



Mayor Hedlund's Fiscal Year 2018 Budget

OPERATING EXPENDITURES

FY18 Budget – NOT just addition – Includes SAVINGS

Non-School Department Budgets increasing by just 2.8%

**88 budget line-items are decreasing – (\$1,022,971)
- help offset contractual and operating needs**

288 budget line-items are level funded (no change)

150 budget-line-items are increasing



Mayor Hedlund's Fiscal Year 2018 Budget

ENTERPRISE BUDGETS

| | <u>FY17</u> | <u>FY18</u> | <u>Change</u> |
|--------------|---------------------|---------------------|-------------------------|
| Sewer | \$15,898,214 | \$16,301,088 | \$402,874 (2.5%) |

- MWRA Assessment is increasing by 2.4% or \$280,902
- Debt Service near level funded from \$1,629,836 to \$1,623,051

| | | | |
|--------------|--------------------|--------------------|------------------------|
| Water | \$9,797,669 | \$9,851,522 | \$53,853 (0.5%) |
|--------------|--------------------|--------------------|------------------------|

- Debt Service decreasing by \$40,921 or 1.2% from \$3,370,357 to \$3,329,436
- Health Insurance decreasing by \$78,363

Overall Water/Sewer budget increasing by 1.8% (\$456,727)

Determined we can support budget increase with existing rates – NO RATE INCREASE in FY18



Mayor Hedlund's Fiscal Year 2018 Budget

COMMUNITY PRESERVATION

| | FY17 | FY18 | Change | Current Fund Balance* |
|--|------------------|------------------|------------------|------------------------------|
| Revenue (1% Surcharge, State Match, Investment Income, and Interest & Penalties) | \$776,000 | \$806,000 | \$30,000 | |
| Admin. Costs (Max. 5%) | \$38,800 | \$37,399 | (\$1,500) | |
| Debt Service | \$147,313 | \$139,800 | (\$7,513) | |
| Open Space | \$77,600 | \$80,600 | \$3,000 | \$150,167 |
| Historical Resources | \$77,600 | \$80,600 | \$3,000 | \$0 |
| Community Housing | \$77,600 | \$80,600 | \$3,000 | \$462,099 |
| General Reserve | \$357,087 | \$387,100 | \$30,013 | \$247,402 |

*as of 5/22/17



Mayor Hedlund's Fiscal Year 2018 Budget

WEYMOUTH SCHOOLS

FY18 OPERATING BUDGET

| | |
|--|---------------------|
| School's FY17 Budget..... | \$65,160,413 |
| Level Services..... | \$2,779,649 |
| Curriculum Leader* | \$100,000 |
| Special Education Teacher (0.5)* | \$29,175 |
| FY18 SCHOOL BUDGET: | \$68,069,237 |

In two years, the School operating budget will have increased by over \$6 million or 9.8%...with NO reliance on mid-year Free Cash

***From School Needs List**

ADDITIONAL SCHOOL SPENDING/PRIORITIES

| | |
|--|-------------|
| WHS A/C Unit | \$175,000 |
| WHS Expansion Joints | \$325,000 |
| Boilers (Partial Reimbursement by MSBA) | \$1,225,000 |
| IT Improvements (with additional Comcast funds) | \$675,000 |
| Charter Schools (Net) | \$2,133,004 |
| (tuition – reimbursement) | |



Mayor Hedlund's Fiscal Year 2018 Budget

CAPITAL SPENDING

Previously Funded

| | |
|--------------------------------|------------------------|
| Town Hall Repairs | \$530,000 (FC) |
| Veterans' Memorial Wall | \$800,000 (CPC) |
| Other Uses of Free Cash | |
| Stabilization Fund | \$2,000,000 |
| Pending | |
| Snow Deficit | \$870,000 |

Measures Filed (FC)

| | |
|-----------------------------------|------------------|
| Commercial Street Bridge | \$500,000 |
| Herring Run Diversion Wall | \$600,000 |
| School IT | \$675,000 |
| Police Body Armor/Security | \$160,000 |
| Station 1 Repairs | \$200,000 |
| Voting Machines/Booths | \$173,000 |
| Multi-Purpose DPW Tractor | \$150,000 |
| WHS Expansion Joints | \$325,000 |