

*Town of Weymouth
Massachusetts*

Robert L. Hedlund
Mayor

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Dear Councilors,

Enclosed is my proposed operating budget for Fiscal Year 2019.

The Fiscal Year 2019 budget is a responsible budget with modest growth that primarily maintains existing services and addresses personnel obligations and needs. We have been able to continue our practice of using predictable sources of revenue to fund the operating budget, allowing for a structurally balanced budget.

The Fiscal Year 2019 General Fund operating budget totals \$168,648,297, an increase of \$6,476,322 or 4.0% over Fiscal Year 2018.

Thanks to a continued focus on economic growth to build our tax base and local revenues, the FY 2019 budget is supported by strong tax levy and local receipts growth. While, by law, property taxes may not be increased by more than 2.5% collectively, Weymouth continues to see significant increases in new growth, which has resulted in overall tax levy growth, projected to be 5.2% for FY 2019. Local receipts are also projected to see continued strong growth, budgeted to increase by 8.7%. The tax levy and local receipts growth make up all of the Town's projected revenue growth for FY 2019. Local Aid, the Town's second largest revenue source behind the tax levy, is projected to remain flat, which limited the opportunity to address additional needs in the budget.

There were a few significant expense obligations that impacted the FY 2019 budget, including:

- Collective Bargaining Agreements (CBA) were settled with various Town unions, including Patrolmen, Police Superior Officers, Police Telecommunicators, and Firefighters. The FY 2019 budget includes three years worth of salary increases for these departments due to the fact that the previous CBAs expired in FY16. The budget also includes a 2.0% cost of living increase for non-union employees.
- The increase to our retirement/pension appropriation, as requested by the Weymouth Retirement Board, for FY19 is \$424,418 or 4.0%.

- Based on the FY19 state budget proposed by Governor Baker in January, and then recently proposed by the House of Representatives in April, state assessments are increasing by over \$600,000, or 12%. This increase is almost entirely attributed to the increase in school choice and charter school sending tuition.
- Thanks to our efforts to minimize health insurance costs by encouraging employees to switch to comparable but less expensive health plans and flat GIC rates, the Town's health insurance costs are projected to decrease by 2.4% in FY19.

While the overall FY19 budget is increasing by a modest 4%, there are some departments with higher than average increases. Below are the explanations for the larger than average variances in department budgets:

- The Town Council budget is increasing by 9.3% due to funding a request for a full-time Town Auditor. Currently, the Town Council budget includes funding for a part-time Town Auditor.
- Municipal Finance is increasing by 8.2% due to the funding of an additional clerk for the Assessing Department and the transferring of procurement expenses back to the Municipal Finance budget.
- The Information Services Department budget is 14.8% higher due to the upgrading of the Town's financial/human resources software (MUNIS) as well as the transfer of department mobile phone expenses for more efficient tracking and payment processing.
- Planning and Conservation is increasing by 7.0% due to previous grant funding no longer available for FY19. There is no increase in number of personnel.
- The Asset Management Department is 38.1% higher based on personnel upgrades as a result of the passed department changes, the upgrade of maintenance software to include school assets, and the transfer of department copier lease/maintenance expenses for more efficient tracking and payment processing.
- The Police Department budget is increasing by 10.9% because of costs associated with four new dispatchers for the new ambulance service contract. This will be reimbursed by South Shore Health Systems. The budget increase is also due to the funding of collective bargaining settlements.
- The Fire Department is 7.0% higher due to personnel increases resulting from collective bargaining settlement.
- The Health Department personnel budget is increasing by 11.8% due to previous grant funding that is unlikely to be available in FY19.

- The Elder Services Department is 15.6% higher due to the funding of an additional program assistant and activities coordinator, with both to be partially funded with a grant.
- The Youth and Family Services budget is increasing 15.0% due to the cost of a part-time assistant for peak operating hours.

More than a dozen other Town department budgets are increasing by less than 4%.

The total proposed FY19 School Department appropriation is \$70,815,271, which is an increase of 3.9% or \$2.65 million over the FY18 operating budget level. For the third consecutive year, the increase is above the budget request and level services. The proposed school budget funds several positions on the school needs list, most of which address areas of education compliance. That includes funding for six (6) primary and Johnson School special education teachers, five (5) primary level specialists for STEAM, art, music, and physical education, and funding for CTE paraprofessional and floating nurse assistance. We have also identified over \$800,000 in adjustments within the school budget that could be done to fund additional needs, including adjustment counselors, literacy and math coaches, and middle level math, reading and language teachers.

In addition to the proposed operating budget, we have proposed a capital budget that will invest in improving our roads and sidewalks, school curriculum and technology, and equipment needs of our departments. We filed measures to fund a match to a state seawall grant to repair the Fore River Ave. seawall, School IT infrastructure and devices, school educational and instructional materials, seven new police cruisers, personal protective equipment for all of our firefighters, continued road and sidewalk replacement, street drainage projects, a front end loader with attachments, and improvements to the Clark Nature Center adjacent to Great Esker Park.

The budget submission includes a measure recommending a Community Preservation Fund budget of \$824,000, an increase of \$18,000 over FY18. The request was unanimously approved by the Community Preservation Committee. This budget is funded by a 1% surcharge on real estate taxes, as voted by the citizens of Weymouth in 2005, and a state match. Funds may only be used to acquire, create, and preserve open space and recreational use, to acquire and preserve historic resources, and to create, preserve, and support community housing. We most recently utilized CPC funds for the restoration of the Veterans' Memorial Wall, the construction of a street hockey rink and parking area at Stella Tirrell Park, the preservation of an 18th-century U.S. Flag, the restoration of a First Ladies' quilt sampler, the design and permitting of a Herring Run passage and smelt habitat restoration project, and to match a state grant for the reconstruction of the Puritan Road culvert at Great Esker Park.

The Sewer Department budget will increase by about \$624,960, largely due to an anticipated 4.7% increase to our annual assessment by MWRA. The Water Department budget will increase by \$46,452. The combined increase in expenses will require a Water/Sewer rate increase of 2.75% for FY19. As you may recall, there was no rate increase in FY18.

Also included with this FY19 budget proposal are measures to reauthorize the traditional revolving and gift accounts.

With this budget, I also submitted a measure to transfer \$2 million of the Town's certified Free Cash into the Town's Stabilization Fund, bringing it to over \$5.5 million. The balance of the Stabilization Fund when I took office in 2016 was \$1.1 million. It is important and fiscally prudent to save for a day when the economy and our revenue growth slows.

I am confident we have presented a responsible, needs-based budget that factors in much deliberation with Town departments and continued input from our taxpayers and community leaders. I look forward to another collaborative and successful budget process. As always, my staff and I are available to assist in your deliberations.

Sincerely,

A handwritten signature in dark ink, appearing to read 'R. Hedlund', written in a cursive style.

Robert L. Hedlund
Mayor