

***Town of Weymouth
Massachusetts***

Robert L. Hedlund
Mayor

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Dear Councilors,

Enclosed is my proposed operating budget for Fiscal Year 2020.

The Fiscal Year 2020 budget is another responsible budget that reflects slowing revenue growth while maintaining existing services, meeting personnel obligations, and addressing a modest level of needs. In doing so, we have been able to continue our practice of using predictable sources of revenue to fund the operating budget, allowing for a structurally balanced and responsible budget.

The Fiscal Year 2020 general fund operating budget totals \$174,445,532, an increase of \$5,797,235 or 3.4% over Fiscal Year 2019. By comparison, the last three years saw budget growth of 4.0%, 4.3% and 4.0%.

While tax revenue growth is estimated to remain strong at 4.5%, it is lower than FY19 growth, which was budgeted to be 5.2%. While, by law, property taxes may not be increased by more than 2.5% collectively, Weymouth is expected to see new growth at around \$2 million. While that is a strong new growth number, it is not expected to grow, but rather it is estimated to remain about the same as FY19. Local receipts are estimated to remain flat overall after three years of solid growth that brought budgeted amounts to realistic and higher than previously projected levels. The lack of growth expected in FY20 is largely due to decreasing building permit revenue. We cut that estimate by \$500,000 to \$1 million. Local Aid, the town's second biggest revenue source behind the tax levy, is projected to increase by about 2.5% based on the Governor's proposed budget.

There were a few significant expense obligations, including certain fixed costs, that impacted the FY 2020 budget, including:

- Certain Collective Bargaining Agreements (CBA) were settled with various town unions, including DPW, Library and SEIU. The budget also includes an increased reserve for un-settled collective bargaining agreements and a 1.5% cost of living increase for non-union employees in addition to scheduled step increases.
- The increase to our retirement/pension appropriation, as requested by the Weymouth Retirement Board, for FY20 is \$423,805 or 3.9%.

- Based on the proposed FY20 state budget by Governor Baker in January, state assessments are increasing by over \$688,000, or 12.3%. This increase is, like previous years, almost entirely attributed to the increase in 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 reasonable increases in GIC rates, the town's health insurance costs are projected to decrease by 2.0% in FY20.

While the overall FY20 budget is increasing by a modest 3.4%, there are some departments with higher than average increases. Below are the explanations for the larger than average variances in department budgets:

- The Reserve Fund is being increased by 13% to help fund any collective bargaining agreements settled in FY20.
- The Town Solicitor budget is increasing by 22% (\$93,990) due to the proposed addition of an assistant solicitor to help limit continued increases in outside counsel costs, namely with our continued fight against the compressor station. The addition would still put Weymouth on the low end of legal department FTE levels when compared to municipalities of similar sizes
- The Asset Management Department is increasing based on an employee being transferred from the Mayor's office, street light expenses being transferred from DPW, and budgeting an additional \$225,000 for field maintenance.
- The Police Department budget is increasing by 3.9% because of costs associated with funding collective bargaining agreements and the addition of two new police officers.
- The Town Clerk Department is increasing due to an additional election in FY20.
- The Park and Recreation Department is increasing due to proposed adjustments in job descriptions with added responsibilities that reflect expansion of permit opportunities and programming, including the addition of operating and managing the Connell Pool and Rink.
- The Informational Services Department is increasing due to the FY19 decision to move MUNIS from being self-hosted to being hosted by Tyler remotely, a service called Software as a Service (SaaS). This will reduce maintenance costs over time and enhance our ability to offer additional services to residents.

More than a dozen other town department budgets are decreasing or going up by less than the 3.4% average.

The total proposed FY20 School Department appropriation is \$ \$73,619,894, which is an increase of 4.0% or \$2.8 million over the FY19 operating budget level. For the fourth year in a row, the increase is above the School's budget request and above the cost of just level services.

The proposed School budget funds several positions on the School needs list, most of which address areas of compliance. Those include ten (10) special education teachers, five (5) paraprofessionals, nine (9) special education paraprofessionals, and a School psychology position.

In addition to the proposed operating budget, we have proposed capital measures that will invest in improving School curriculum and technology needs, vehicle needs of our Police Department and funding for our Fire Department (equipment and building repairs) that will help us achieve our goal of re-opening Station 2. Previously, we had filed capital measures that funded costs of daylighting the smelt brook and providing the DPW with needed equipment for the proper maintenance of town property.

The budget submission includes a measure recommending a Community Preservation Committee budget of \$890,000, an increase of \$66,000 over FY19. 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 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 \$514,348 (3%), largely due to an anticipated 4.1% increase to our annual assessment by MWRA. The Water Department budget will decrease by \$388. The Water/Sewer rate will increase by 2.75% for FY20.

Also included with this FY20 budget proposal are measures to reauthorize the traditional revolving and gift accounts.

With the budget, I also submitted a measure to transfer \$1.25 million of the Town's certified Free Cash into the Town's Stabilization fund, bringing it to nearly \$7 million. The balance of the Stabilization Fund when I took office in 2016 was \$1.1 million. It continues to be an important and fiscally prudent priority to save for a day when the economy and our revenue growth do not support the current level of services.

I am confident we have presented another responsible, needs-based budget for your consideration. As in the past, our budget proposals include 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 black ink, reading "Robert L. Hedlund". The signature is written in a cursive, flowing style with a large initial "R".

Robert L. Hedlund
Mayor