

Fiscal Year 2018 Mayor's Budget Presentation



April 18, 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%

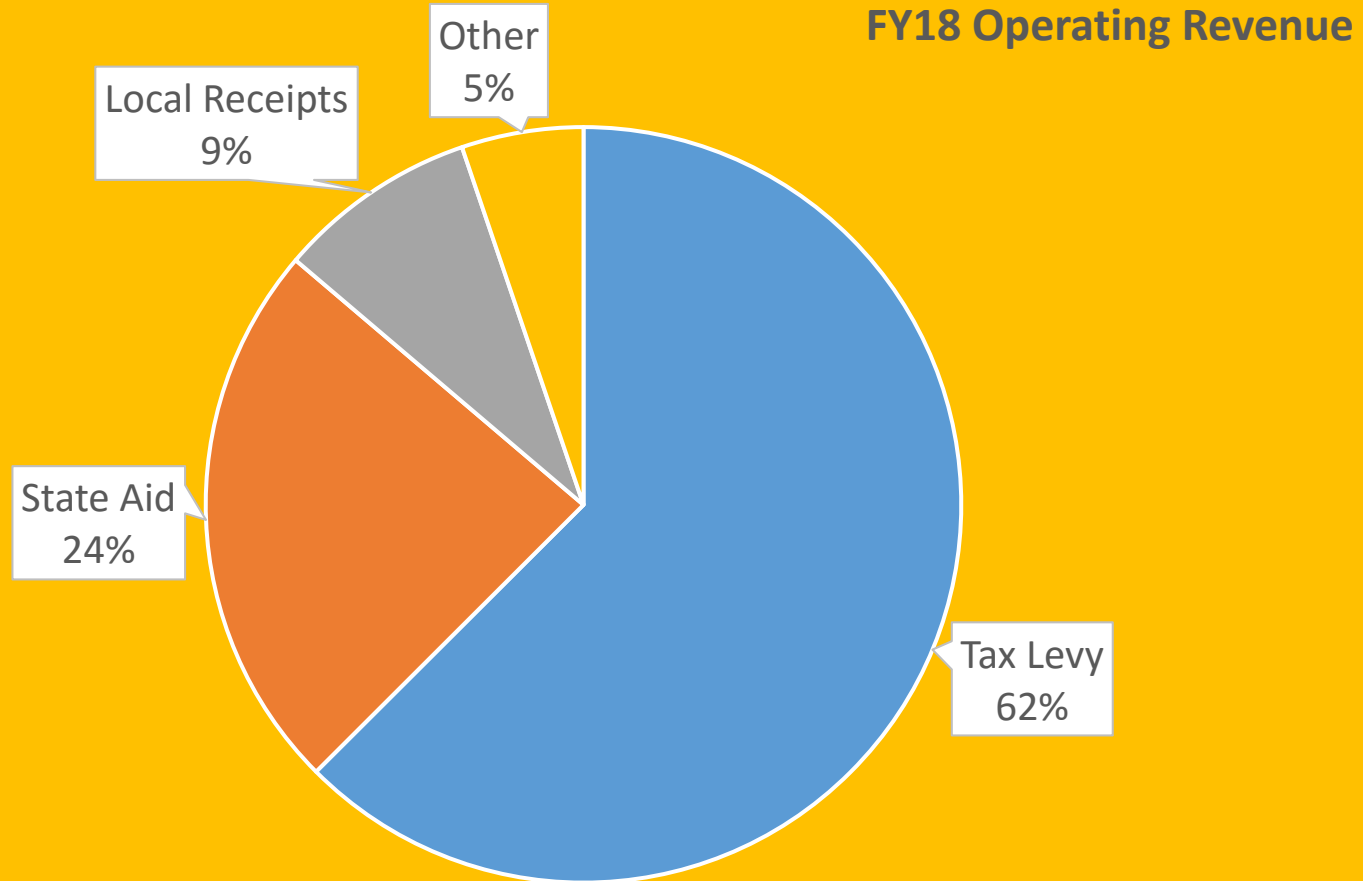
State Aid = 23.7%

***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 \$850,000 of the increase

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

- Estimated Chapter 70 increase of \$188,000 (0.7%) based on House Budget
- Estimated UGGA increase of \$326,975 (3.9%) based on House Budget
- 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	\$41,571,640	\$863,236 (2.1%)
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 (House)	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 (House)	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

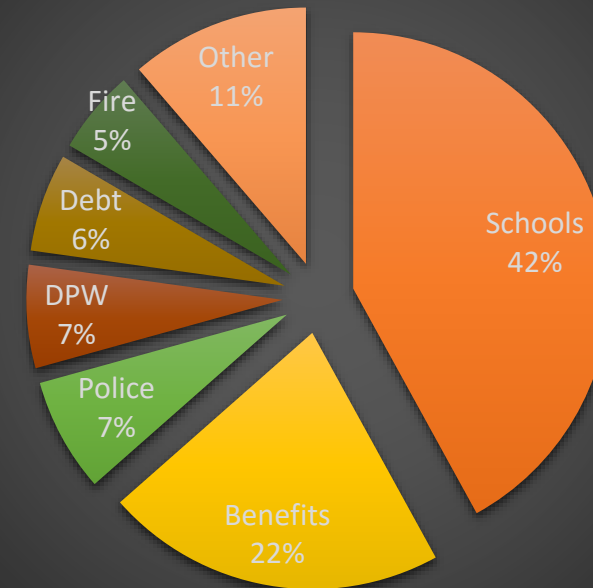
OPERATING EXPENDITURES

Total FY18 Revenue: \$162,171,975
Increase over FY17: \$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



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

3 Health positions previously funded by grants

2 additional School positions

– Curriculum Leader and SPED Teacher



Mayor Hedlund's Fiscal Year 2018 Budget

OPERATING EXPENDITURES

FY18 Budget – NOT just addition – Includes SAVINGS

Non-School Department Budgets increasing by just 2.1%

**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%)
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- 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	\$213,792
Community Housing	\$77,600	\$80,600	\$3,000	\$462,098
General Reserve	\$357,087	\$387,100	\$30,013	\$833,608

***as of 3/31/17 (does not include \$800K request for Veterans Memorial Wall)**



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

ADDITIONAL SCHOOL SPENDING/PRIORITIES

WHS A/C Unit ... \$175,000

**Boilers \$1,225,000
 (Reimbursement by MSBA)**

**IT Improvement Plan – Second Year
 School Estimate = \$980,750**

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**



Mayor Hedlund's Fiscal Year 2018 Budget

CAPITAL SPENDING

Available Capital Funding

Certified Free Cash: \$7,399,043

Wey-Bra: \$28,915

Unpaid Bills: \$45,211

Stabilization: \$2,000,000

Worker's Comp: \$350,000

Town Hall Repairs: \$530,000

Remaining Free Cash: \$4,444,916

Comcast Account for IT needs

Initial Funding Needs/Proposals

Snow Deficit: \$870,000

Small Bridge Match: \$500,000

Herring Run Wall/Gate: \$700,000

School Boilers: \$1,225,000

Incinerator: ???