

Town of Weston

Fiscal Year 2018 Budget Hearing

May 1, 2017

Board of Selectmen

Douglas P. Gillespie

Michael H. Harrity

Christopher E. Houston, Chair

Fiscal Year 2018 Budget Goals

- Deliver current levels of service efficiently and cost effectively
- Address increased demand for service in some departments
- Minimize increases in debt, where possible, by funding smaller capital items with cash
- Plan for the Town's future financial stability by adding to reserves.

Fiscal Year 2018 Budget Summary

- Increase funding for roadway maintenance
- Increase funding for fields maintenance
- Save an estimated \$300,000 in electricity costs from solar panels
- Continue to fund long-term liability for pension and post retirement benefits
- Proposition 2½ Debt Exclusion (temporary tax increase) requested for capital projects

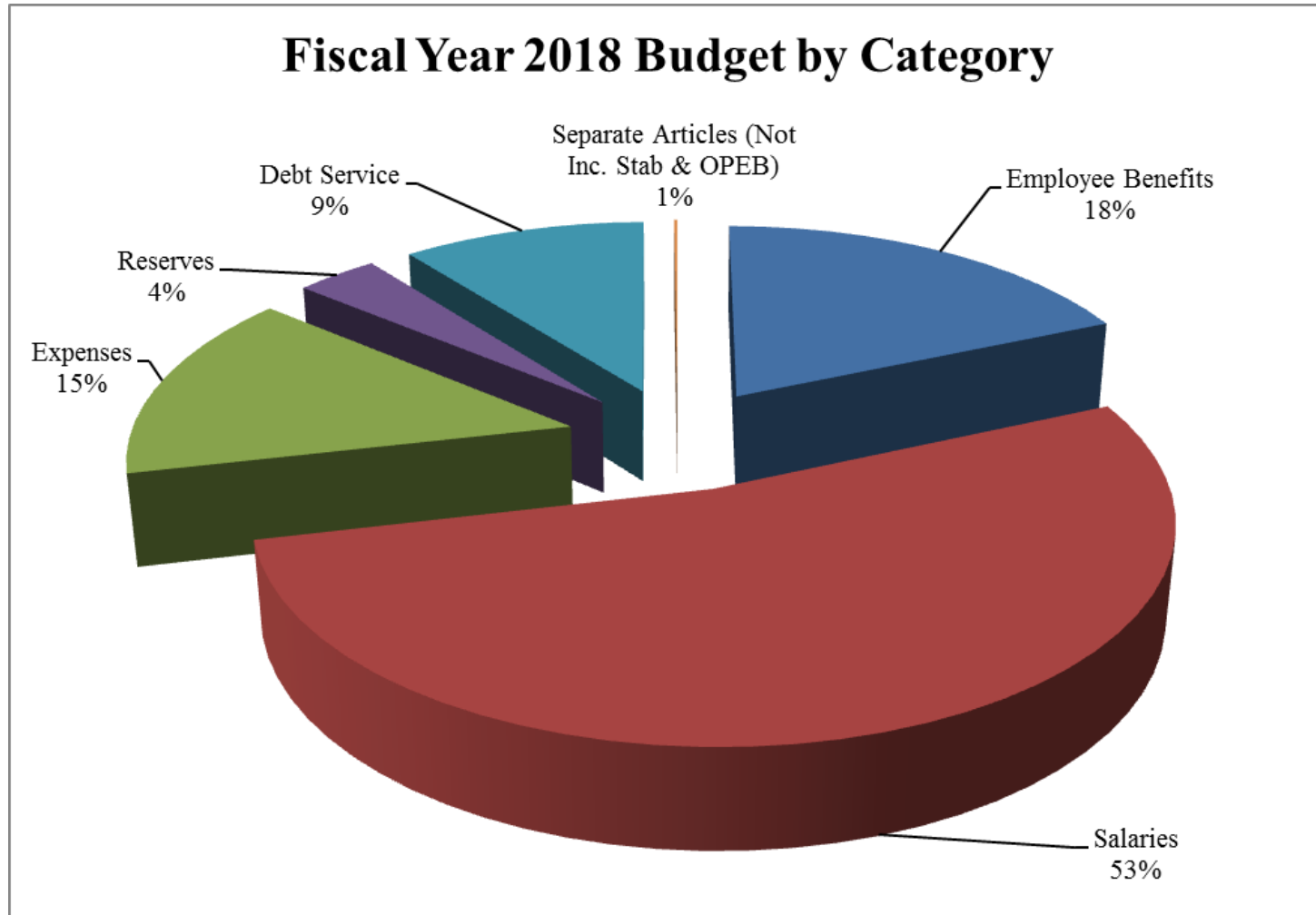
Fiscal Year 2018 Estimated Revenues

	FY17	FY18	\$ Change	% Change
Tax Levy	65,583,981	67,553,155	1,969,175	3.0%
State Aid	4,386,744	3,721,206	(665,538)	-15.2%
Local Receipts	5,075,687	5,066,714	(8,973)	-0.2%
Prior Year Balances / Other	3,220,476	3,310,903	90,427	2.8%
Revenue Offsets	(1,943,153)	(1,277,099)	666,054	-34.3%
Total	76,323,735	78,374,879	2,051,144	2.7%

Budget Comparison by Function

	FY17 Budget	Recommended FY18 Budget	\$ Change	% Change
Schools	38,746,641	39,272,757	526,116	1.4%
Unclassified & Fixed Costs	16,999,884	17,373,770	373,886	2.2%
General Government	18,814,693	19,881,872	1,067,179	5.7%
OPEB & Weston Media Center	<u>1,762,517</u>	<u>1,846,480</u>	<u>83,963</u>	4.8%
Total Budget	76,323,735	78,374,879	2,051,144	2.7%
Gross Debt Service Exempt from Proposition 2 1/2	9,128,846	9,066,234	(62,612)	-0.7%
Grand Total Budget	85,452,581	87,441,113	1,988,532	2.3%

Fiscal Year 2018 Budget by Category



Budget Increase Summary

Appropriation		FY18 Change
Schools (Superintendent's Budget)		
Salaries	\$966,964	
Program Improvements	164,380	
Offsets	(89,783)	
Other Changes	(118,098)	
Special Education	140,699	
Utilities	(17,868)	
Enrollment	<u>(418,333)</u>	
Total School Budget Increase		526,116
Group Health Insurance & Medicare		87,471
Municipal Increases Above Level Service		560,044
Salaries (Municipal)		432,254
Middlesex Retirement System		234,595
Facilities Town-Wide		92,546
Post Employment Benefits Reserve		73,963
All Other Changes - Net		44,155
Total Increase from FY17 to FY18		\$2,051,144

Increases above Level Service to Respond to Greater Demands on Municipal Departments

Construction of Public Ways/Roadway Maintenance	\$ 100,000
Capital Projects Engineer (with benefits)	96,680
Procurement Officer (with benefits)	91,680
Additional Hours for Conservation Commission Staff	5,000
Additional Inspection Hours for Potential Large Projects	12,000
Fields Maintenance	179,000
Electronic Voting Devices for Town Meeting	45,000
Feasibility Study for Sewage Treatment Plant at Case Campus	15,000
Cultural Council	4,500
Vehicle Maintenance Co-op Student	11,184
Purchase of Smithco Tractor (Enterprise Fund)	22,000
Total New Budget Requests	\$ 582,044

Fiscal Year 2018 Separate Articles (Articles 4 & 5)

Appropriate for Weston Media Center (Article 4)	\$110,000
Appropriate to OPEB Trust Fund (Article 5)	<u>1,736,480</u>
Total	\$1,846,480

Fiscal Year 2018 Capital Projects – To be Bonded (Articles 15-19, 21)

Drainage Improvements	300,000
South Side Drainage Project	500,000
Proctor Field and Track Reconstruction	3,900,000
High School Field Renovation	600,000
Case Campus Master Plan	1,450,000
Town Center Improvements-Bury Utilities* (Engineering and landscape architectural services)	456,000
Total	\$7,206,000

**The engineering and design work contemplated in this article will fully coordinate with the master plan design approved at November's Special Town Meeting.*

Debt Service

Annual Debt Service	FY13	FY14	FY15	FY16	FY17	FY18*
General Fund	53,859	46,968	35,640	35,180	33,720	32,280
Proposition 2 1/2 Excluded (Net)	6,747,256	7,646,500	7,055,822	7,957,743	8,084,603	8,255,246
Water	437,494	909,392	444,649	526,613	540,082	552,084
Community Preservation Fund	734,707	714,513	691,739	667,692	603,740	379,751
Brook School Apartments	<u>251,877</u>	<u>245,439</u>	<u>334,473</u>	<u>307,917</u>	<u>282,283</u>	<u>273,773</u>
Total	8,225,194	9,562,812	8,562,323	9,495,145	9,544,428	9,493,134

** Note: The FY18 amount assumes approval of question 1 on the ballot at the Town election.*

Tax Bill Components:

Median Property Value \$1,162,400

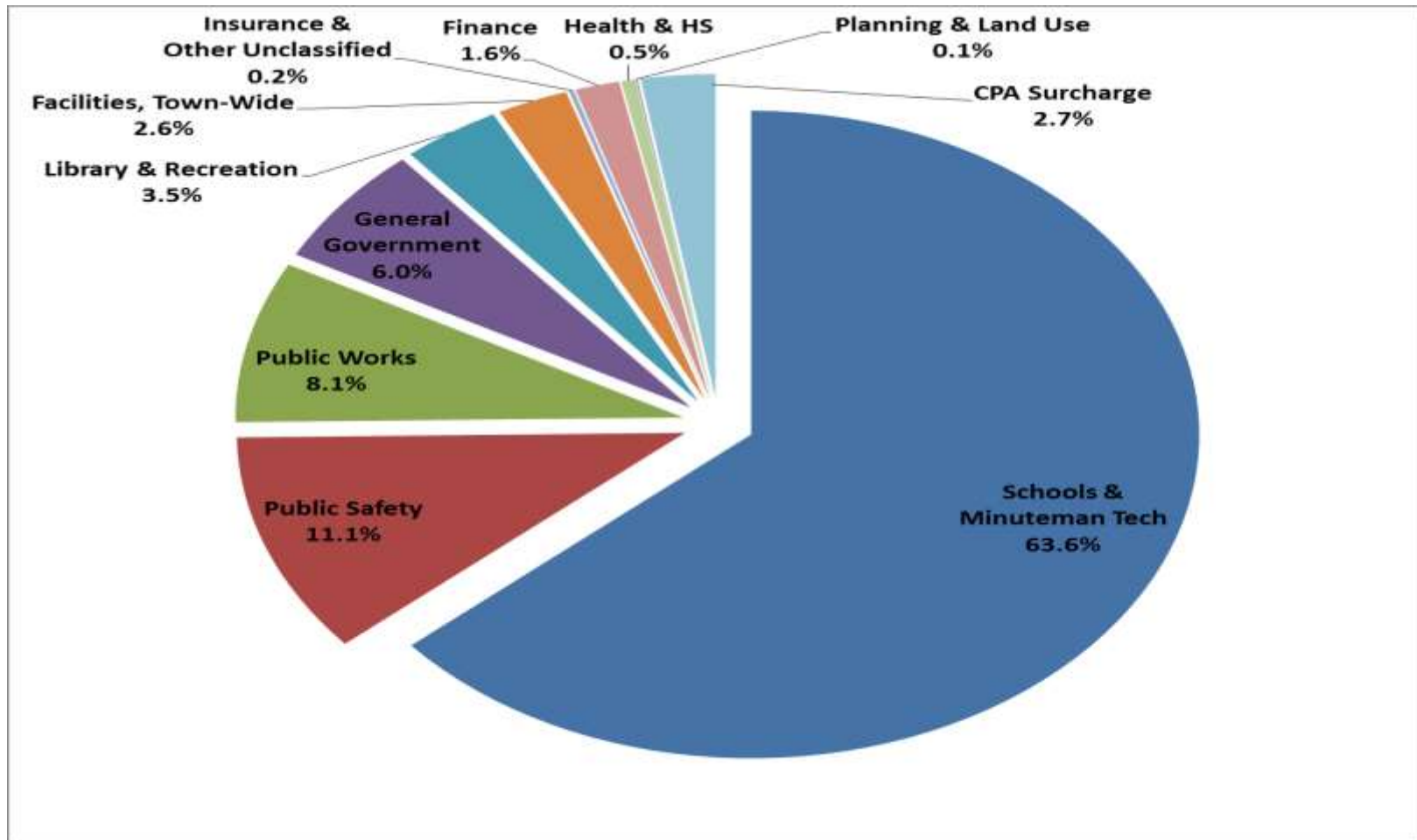
	FY13	FY14	FY15	FY16	FY17	FY18 <i>(estimated)</i>
Base Property Tax	\$10,473	\$10,999	\$11,572	\$11,907	\$12,262	\$12,748
Allowable 2.5% increase/new growth	394	489	545	508	570	469
Excluded debt (prior and new)	1,292	1,459	1,376	1,593	1,582	1,615
Community Preservation Act surcharge	328	350	368	384	395	407
Total Tax Bill	\$12,488	\$13,298	\$13,861	\$14,392	\$14,809	\$15,239

How Your Tax Dollars Are Spent

Schools & Minuteman Tech	\$ 9,698	63.6%
Public Safety	1,685	11.1%
Public Works	1,227	8.1%
General Government	920	6.0%
Library & Recreation	556	3.5%
Facilities, Town-Wide	390	2.6%
Insurance and Other Unclassified	27	0.2%
Finance	242	1.6%
Health & Human Services	76	0.5%
Planning & Land Use	11	0.1%
	<hr/>	
	\$ 14,832	97.3%
CPA Surcharge	\$ 407	2.7%
	<hr/>	
Total - Median Property Tax Bill	\$ 15,239	100.0%

** Debt Service and Employee Benefits are included in each department*

How Your Tax Dollars Are Spent



Enterprise Fund Budgets

Water Enterprise (funded from water fees):

	Appropriated FY17	Recommended FY18
Salaries	\$279,162	\$289,926
Expenses	234,280	231,155
MWRA Assessment/Water Purchases	2,491,600	2,867,800
Debt Service (Non-Exempt)	540,848	552,084
Capital Outlay	65,000	67,500
Total	\$3,610,890	\$4,008,465

Debt service includes amounts for previously approved projects and the water main rehabilitation projected to be considered under Article 12.

Enterprise Fund Budgets

Recreation Enterprise (funded 70% from fees; 30% from taxes):

	Appropriated FY17	Recommended FY18
Salaries	\$1,129,368	\$1,171,732
Expenses	441,400	468,139
Community Center	<u>81,750</u>	<u>82,050</u>
Total	\$1,652,518	\$1,721,921

There will be a contribution of \$30,000 from the Council on Aging budget to the Recreation Enterprise fund to support the cost of operating the Community Center, in which the Council on Aging is housed.

Enterprise Fund Budgets

Brook School Apartments Enterprise (funded from rents):

	Appropriated FY17	Recommended FY18
Salaries	\$180,314	\$192,585
Expenses	385,300	379,180
Repairs and Replacements+	138,460	146,768
Payment in Lieu of Taxes	22,795	23,365
Capital Improvements+	100,000	100,000
Debt Service	282,283	273,773
Total	\$1,109,152	\$1,115,671

Collective Bargaining

- ❑ 76% employees are unionized – wages, benefits, working conditions must be bargained
- ❑ Town Manager bargains on behalf of Selectmen with municipal unions
- ❑ School Committee bargains with School unions
- ❑ Rate of growth in salaries has slowed
- ❑ Regular survey of salaries in comparable communities

Collective Bargaining – Negotiated Range of Increases

FY18	1.25 – 2% (8 of 12 unions settled)
FY17	1.5 – 2% (8 of 12 unions settled)
FY16	1.55 – 2%
FY15	1.5 – 2%
FY14	1.25 – 2.45%
FY13	1.25 – 2.5%
FY12	1.25 – 2.5%
FY11	0%

Employee Benefits

Health Insurance

- Governed by MA General Laws Ch. 32B
- 6 year agreement with the Group Insurance Commission expires 6/30/2021
- Health costs stabilized – FY18 budget 29% higher (3.3%/year on average) than FY09 actual cost (last year before GIC)
- 636 benefit eligible employees – 75% have Town health insurance (73% family/27% individual)
- 37 family plans & 437 individual plans for retirees and surviving spouses
- Opt out program

Employee Benefits

Pension

- Governed by MA General Laws Chapter 32
- Town & School employees not covered by Social Security
- Most employees contribute 9-11% of salary toward their pension
- 238 retirees/surviving spouses collect a pension
- Of 238 superannuation retirees:
 - 53% = less than \$20,000
 - 35% = \$20,000-\$49,999
 - 12% = \$50,000 - \$110,000

Energy Savings

- ❑ Weston achieved “Green Community” status in 2011
- ❑ Solar PV Panels Exploratory Committee entered into a long term lease and power purchase agreement- produce savings in electricity costs of approximately 40% or \$300,000 annually
- ❑ Facilities projects undertaken to save energy - goal of 20% reduction in 5 years
- ❑ Purchase of street lights from Eversource- budget reduced from \$129k to \$40k
- ❑ Commitment to purchase more fuel efficient vehicles

Working Efficiently: School & Municipal Collaboration

- Town-wide Facilities Director, Deputy Director and Permanent Building Committee
- Town-wide Technology Director oversees shared IT resources
- Town-wide Fields & Grounds Coordinator oversees and coordinates grounds maintenance
- Joint purchase of utilities
- Sharing of expertise from DPW for School paving projects
- Mechanics in the DPW maintain most school and municipal vehicles, including school buses
- School Bus Drivers transport seniors for COA

Working Efficiently: Regional Collaboration

- ❑ Weston is one of 8 towns providing paramedic service on a regional basis through Emerson Hospital – level and quality of service improved
- ❑ Weston, Wellesley, Needham and Wayland formed Veterans' Services District to share full-time, professional Veterans' Services staff
- ❑ Weston, Acton, Bedford, Burlington, Concord, Lexington and Sudbury served by Regional Housing Office staffed by affordable housing professionals (Article 32)

Elderly & Low Income Programs: Tax and Fee Relief

- Transfer Station Sticker Waiver
- Water Discount Program
- Senior Service Program
- Veterans Service Program
- Community Preservation Surcharge Exemption
- Property Tax Exemption Limits set at Maximum
- Property Tax Deferral Program

Fiscal Year 2019 Outlook

- Long-term liabilities such as OPEB (retiree health insurance - \$67 million) and pension costs (\$60 million) remain a challenge affecting future years.
- Limited revenue options result in continued reliance on the residential property tax.
- Current estimates for FY19 indicate a potential budget shortfall of \$295,000.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Weston
Massachusetts**

For the Fiscal Year Beginning

July 1, 2016

Executive Director