

Town of Weston

Fiscal Year 2017 Budget Hearing

May 2, 2016

Board of Selectmen

Michael H. Harrity, Chair

Douglas P. Gillespie

Christopher E. Houston

Fiscal Year 2017 Budget Goals

- Minimize increase in tax bill given increasing debt service for previously approved capital projects.
- Deliver current levels of service.
- Provide sufficient funds for building & other infrastructure maintenance.
- Plan for the Town's future financial stability by adding to reserves.

Fiscal Year 2017 Budget Summary

- Increase funding for roadway maintenance
- Save an estimated \$250,000 in electricity costs with solar panel installation
- Continue to fund long-term liability for pension and post retirement benefits
- Proposition 2½ Debt Exclusion (temporary tax increase) requested for capital projects
- Continue to slow the rate of increase in salary growth in low inflation economy

Fiscal Year 2017 Estimated Revenues

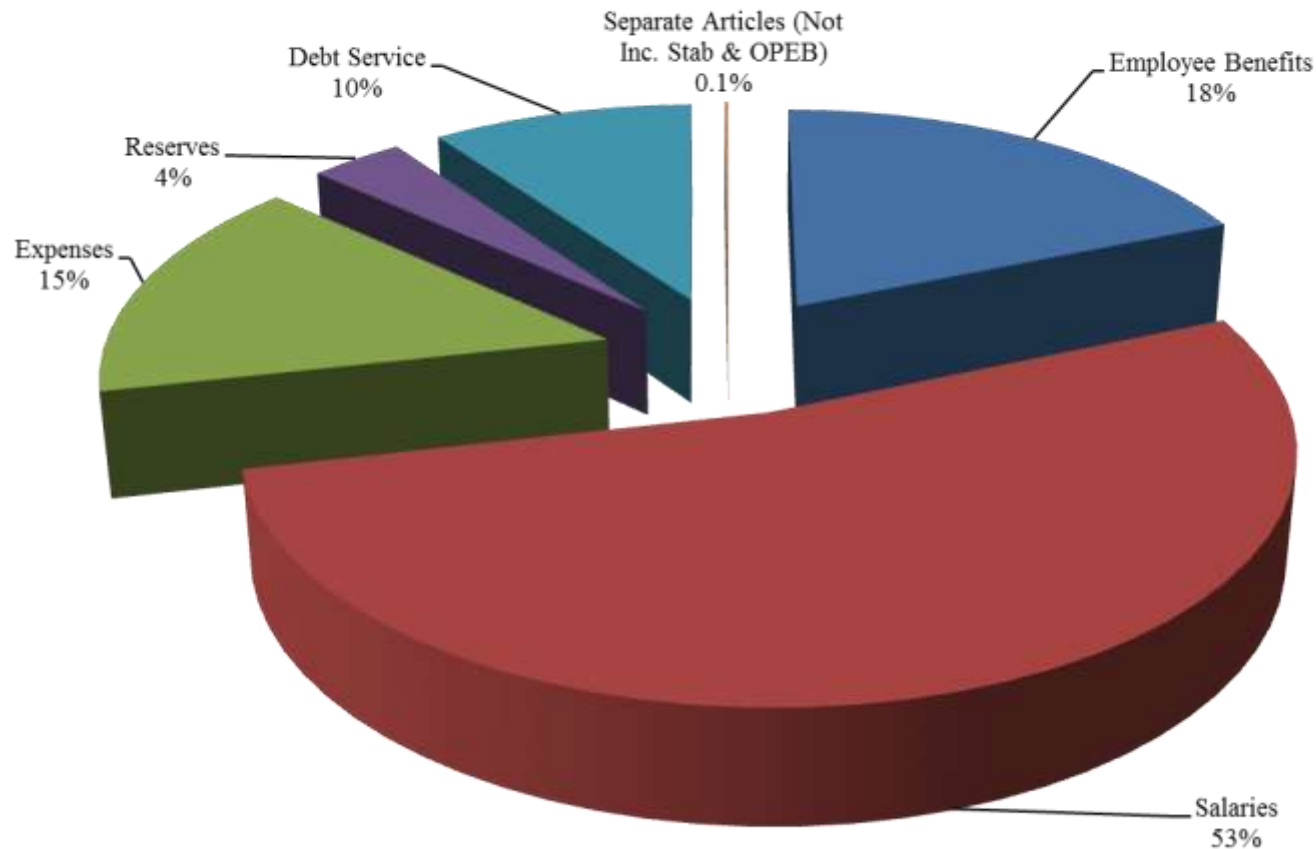
	FY16	FY17	\$ Change	% Change
Tax Levy	63,348,917	65,792,499	2,443,582	3.9%
State Aid	4,124,869	4,183,317	58,448	1.4%
Local Receipts	4,734,897	5,065,794	330,897	7.0%
Prior Year Balances / Other	4,601,479	3,196,499	(1,404,980)	-30.5%
Revenue Offsets	(1,850,303)	(1,914,374)	(64,071)	3.5%
Total	\$74,959,859	\$76,323,735	1,363,876	1.8%

Budget Comparison by Function

	FY16 Budget	Recommended FY17 Budget	\$ Change	% Change
Schools	38,220,429	38,746,641	526,212	1.4%
Unclassified & Fixed Costs	16,284,861	16,999,884	715,023	4.4%
General Government	18,487,644	18,814,693	327,049	1.8%
Stabilization Fund & OPEB	<u>1,966,925</u>	<u>1,762,517</u>	<u>(204,408)</u>	-10.4%
Total Budget	74,959,859	76,323,735	1,363,876	1.8%
Debt Service Exempt from Proposition 2 1/2	7,926,753	8,197,436	270,683	3.4%
Grand Total Budget	82,886,612	84,521,171	1,634,559	2.0%

Fiscal Year 2017 Budget by Category

Fiscal Year 2017 Budget by Category



Budget Increase Summary

Appropriation	FY17 Change
Total School Budget Increase	526,212
Group Health Insurance & Medicare	361,476
Municipal Increases Above Level Service	354,948
Middlesex Retirement System	287,644
Facilities -Town wide	181,349
Salaries (Municipal)	168,491
Post Employment Benefits Reserve	45,592
Fire Equipment	(210,000)
All Other Changes - Net	(351,836)
Total Increase from FY16 to FY17	\$1,363,876

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

Construction of Public Ways/Roadway Maintenance	\$ 250,000
Council on Aging (COA) Salaries - Make up loss of other funding source	7,200
Assistant Planner with Support for Historical Commission	30,000
Addition of a K-9 Unit to Police Department	1,000
Tree Inventory & Assessment - first year	25,000
Increase hours for Part-Time Office Assistant - Town Manager's Office	3,300
Open Library at Noon on Sundays	8,448
Contribution from COA Budget to Maintenance of Community Center	<u>30,000</u>
Total New Budget Requests	\$ 354,948

Fiscal Year 2017 Separate Articles (Articles 5 & 6)

Appropriate for Weston Media Center (Article 5)	\$110,000
Appropriate to OPEB Trust Fund (Article 6)	<u>1,652,517</u>
Total	\$1,762,517

Fiscal Year 2017 Capital Projects – To be Bonded (Articles 14-21)

Drainage Improvements	300,000
South Side Drainage Project	350,000
Cook's Pond Dam and Pump Rehabilitation	170,500
Middle School Paving	350,000
Police Department Fiber Loop	92,000
Case House Rehabilitation Design Fees	270,000
Case Campus Master Plan (general fund)	1,200,000
Proctor Field Rehabilitation Design Fees	325,000
Total	\$3,057,500

Debt Service

Annual Debt Service	FY12	FY13	FY14	FY15	FY16	FY17*
General Fund	57,983	53,859	46,968	35,640	35,180	33,720
Proposition 2 1/2 Excluded	7,266,714	6,747,256	7,646,500	7,055,822	7,957,743	8,197,436
Water	477,378	437,494	909,392	444,649	526,613	540,848
Community Preservation Fund	757,858	734,707	714,513	691,739	667,692	657,430
Brook School Apartments	<u>258,071</u>	<u>251,877</u>	<u>245,439</u>	<u>334,472</u>	<u>307,917</u>	<u>282,283</u>
Total	8,818,003	8,225,194	9,562,812	8,562,323	9,495,145	9,711,716

** Note: The FY17 amount assumes approval of question 1 on the ballot at the Town election.*

Tax Bill Components:

Median Property Value \$1,152,000

	FY12	FY13	FY14	FY15	FY16	FY17 <i>(estimated)</i>
Base Property Tax	\$10,268	\$10,473	\$10,999	\$11,572	\$11,943	\$12,372
Allowable 2.5% increase/new growth	430	394	489	545	508	452
Excluded debt (prior and new)	1,358	1,292	1,459	1,376	1,558	1,598
Community Preservation Act surcharge	<u>325</u>	<u>328</u>	<u>350</u>	<u>368</u>	<u>384</u>	<u>395</u>
Total Tax Bill	\$12,380	\$12,488	\$13,298	\$13,861	\$14,392	\$14,818

How Your Tax Dollars Are Spent

Schools & Minuteman Tech	9,250	64.3%
Public Safety	1,698	11.8%
Public Works	1,125	7.8%
General Government	691	4.8%
Library & Recreation	540	3.7%
Facilities, Town-Wide	328	2.3%
Insurance and Other Unclassified	96	0.7%
Finance	199	1.4%
Health & Human Services	69	0.5%
Planning & Land Use	11	0.1%
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	14,008	97.3%
CPA Surcharge	384	2.7%
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Total - Median Property Tax Bill	14,392	100.0%

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

Enterprise Fund Budgets

Water Enterprise (funded from water fees):

	Appropriated FY16	Recommended FY17
Salaries	\$290,947	\$279,162
Expenses	234,280	234,280
MWRA Assessment/Water Purchases	2,240,675	2,491,600
Debt Service (Non-Exempt)	516,232	540,848
Capital Outlay	65,000	65,000
Total	\$3,347,134	\$3,610,890

Debt service includes amounts for previously approved projects and the water main rehabilitation projected to be considered under Article 11.

Enterprise Fund Budgets

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

	Appropriated FY16	Recommended FY17
Salaries	\$1,093,018	\$1,129,368
Expenses	427,900	441,400
Community Center	<u>76,250</u>	<u>81,750</u>
Total	\$1,597,168	\$1,652,518

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 FY16	Recommended FY17
Salaries	\$179,545	\$180,314
Expenses	369,000	385,300
Repairs and Replacements+	130,623	138,460
Payment in Lieu of Taxes	22,239	22,795
Capital Improvements+	250,000	100,000
Debt Service	307,917	282,283
Total	\$1,259,324	\$1,109,152

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
- ❑ Effort to slow rate of growth in salaries
- ❑ Regular survey of salaries in comparable communities

Collective Bargaining – Negotiated Range of Increases

FY17	(2 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 – FY17 budget 26% higher (3.3%/year on average) than FY09 actual cost
- 636 benefit eligible employees – 77% have Town health insurance (69% family/31% individual)
- 35 family plans & 431 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
- 233 retirees/surviving spouses collect a pension
- Of 233 superannuation retirees:
 - 56% = less than \$20,000
 - 33% = \$20,000-\$49,999
 - 11% = \$50,000 - \$89,999

Energy Savings

- ❑ Weston designated “Green Community”
- ❑ Solar PV Panels Exploratory Committee finalized a long term lease and power purchase agreement- produce savings in electricity costs of approximately 40% or \$250,000 annually
- ❑ Facilities projects undertaken to save energy - goal of 20% reduction in 5 years
- ❑ Purchase of street lights from NStar – 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
- 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
- Improved coordination of grounds maintenance

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 38)

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 2018 Outlook

- Long-term liabilities such as OPEB (retiree health insurance - \$75 million) and pension costs (\$56 million) remain a challenge affecting future years.
- Limited revenue options result in continued reliance on the residential property tax.
- Current estimates for FY18 indicate a potential budget shortfall of \$200,000.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Town of Weston

Massachusetts

For the Fiscal Year Beginning

July 1, 2015

Executive Director