

Town of Weston

Fiscal Year 2019 Budget Hearing

April 30, 2018

Board of Selectmen

Douglas P. Gillespie, Chair

Harvey R. Boshart

Christopher E. Houston

Fiscal Year 2019 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 2019 Budget Summary

- Increase funding for roadway maintenance by \$500,000
- Save an estimated \$336,000 in electricity costs from solar panels (Landfill & DPW roof)
- Continue to fund long-term liability for pension and post retirement benefits
- Proposition 2½ Debt Exclusion (temporary tax increase) requested for capital projects

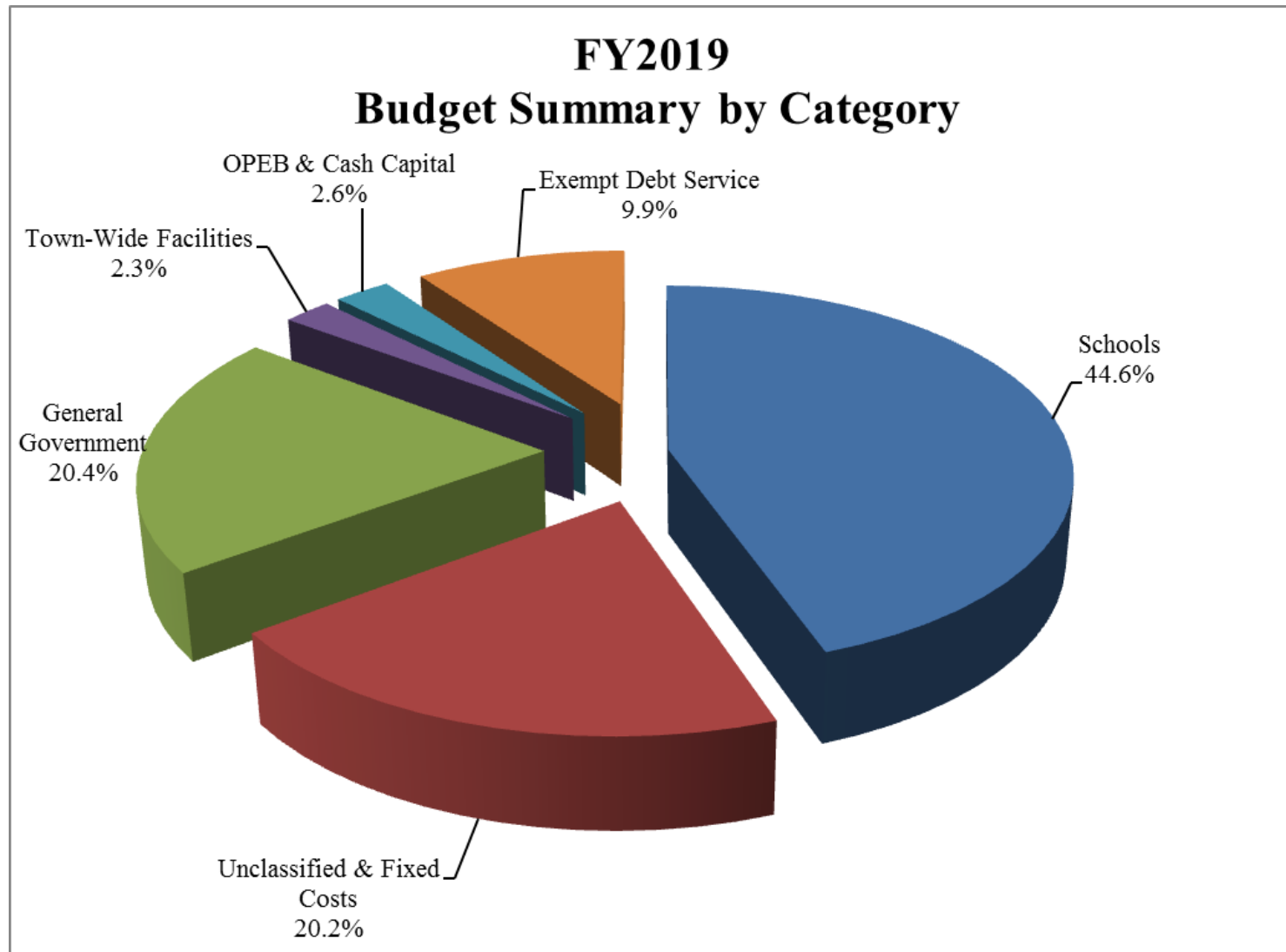
Fiscal Year 2019 Estimated Revenues

	FY18	FY19	\$ Change	% Change
Tax Levy	66,656,426	69,099,736	2,443,309	3.7%
State Aid	3,995,401	3,995,401	-	0.0%
Local Receipts	5,066,714	5,415,657	348,943	6.9%
Prior Year Balances / Other	3,759,232	3,887,059	127,827	3.4%
Revenue Offsets	(1,266,122)	(1,309,884)	(43,762)	3.5%
	78,211,651	81,087,969	2,876,318	3.7%

Budget Comparison by Function

	Recommended		\$ Change	% Change
	FY18 Budget	FY19 Budget		
Schools	\$39,079,529	\$40,099,468	\$1,019,939	2.6%
Unclassified & Fixed Costs	17,373,770	17,672,275	298,505	1.7%
General Government	18,306,485	18,959,868	653,383	3.6%
Town-Wide Facilities	1,715,387	1,974,724	259,337	15.1%
Separate Articles	<u>1,736,480</u>	<u>2,381,634</u>	<u>645,154</u>	<u>37.2%</u>
Total Budget	\$78,211,651	\$81,087,969	\$2,876,318	3.7%
Projected Revenue	\$78,211,651	\$81,087,969	\$2,876,318	3.7%
(Shortfall) Surplus	\$0	\$0	\$0	
Gross Debt Service Exempt from Proposition	\$8,905,759	\$8,741,482	-\$164,277	-1.8%
Grand Total Budget	\$87,117,410	\$89,829,451	\$2,712,041	3.1%

Fiscal Year 2019 Budget by Category



Budget Increase Summary

Appropriation		FY19 Change
Schools (Superintendent's Budget)		
Salaries	\$442,538	
Program Improvements	472,970	
Special Education	328,198	
Offsets	153,775	
Other Changes	(219,433)	
Enrollment	<u>(158,109)</u>	
Total School Budget Increase		1,019,939
Municipal Increases Above Level Service		847,279
Municipal Increases Above Level Service-Cash Capital		260,000
Group Health Insurance & Medicare		(234,956)
Post Employment Benefits Reserve		370,154
Middlesex Retirement System		322,149
Salaries (Municipal)		385,223
Insurance-Workers Comp		70,000
Fire Equipment & Apparatus		(110,000)
Support for Weston Media Center		(70,000)
All Other Changes - Net		16,530
Total Increase from FY18 to FY19		\$2,876,318

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

<i>Item</i>	<i>Amount</i>
DPW-Construction of Public Ways/Roadway Maintenance	\$ 500,000
Facilities-Project Manager (with benefits)	137,815
Fire-Two Additional Firefighters (with benefits)	134,342
Animal Control Officer - add hours (with benefits)	48,500
COA - Additional Hours for PT Van Drivers	16,622
Land Use - Part-Time Land Maintenance Worker	5,000
Police- Domestic Violence Services Network Membership	5,000
Total New General Fund Budget Requests	\$ 847,279

Fiscal Year 2019 Separate Articles (Articles 5 & 16)

Appropriate to OPEB Trust Fund (Article 5)	\$2,121,634
Appropriate for Design of Route 20/Wellesley Street Intersection Improvements- Cash Capital (Article 16)	<u>260,000</u>
Total	\$2,381,634

Fiscal Year 2019 Capital Projects – To be Bonded (Articles 14, 15 & 17)

Drainage Improvements	\$ 50,558
Fire Pumper Truck	750,000
Route 30 Roadway Reconstruction Design	<u>938,000</u>
Total	\$1,738,558

Debt Service

Annual Debt Service	FY14	FY15	FY16	FY17	FY18	FY19**
General Fund	46,968	35,640	35,180	33,720	32,280	30,860
Proposition 2 1/2 Excluded*	7,646,500	7,055,822	7,957,743	8,084,603	8,094,771	7,941,707
Water	909,392	444,649	526,613	540,082	537,947	531,098
Community Preservation Fund	714,513	691,739	667,692	603,740	379,751	466,448
Brook School Apartments	<u>245,439</u>	<u>334,473</u>	<u>307,917</u>	<u>282,283</u>	<u>273,773</u>	<u>265,133</u>
Total	9,562,812	8,562,323	9,495,145	9,544,428	9,318,522	9,235,246

* Note: Net of MSBA revenue and premium applied to debt service

** Note: The FY19 amount assumes approval of question 1 on the ballot at the Town election.

Tax Bill Components:

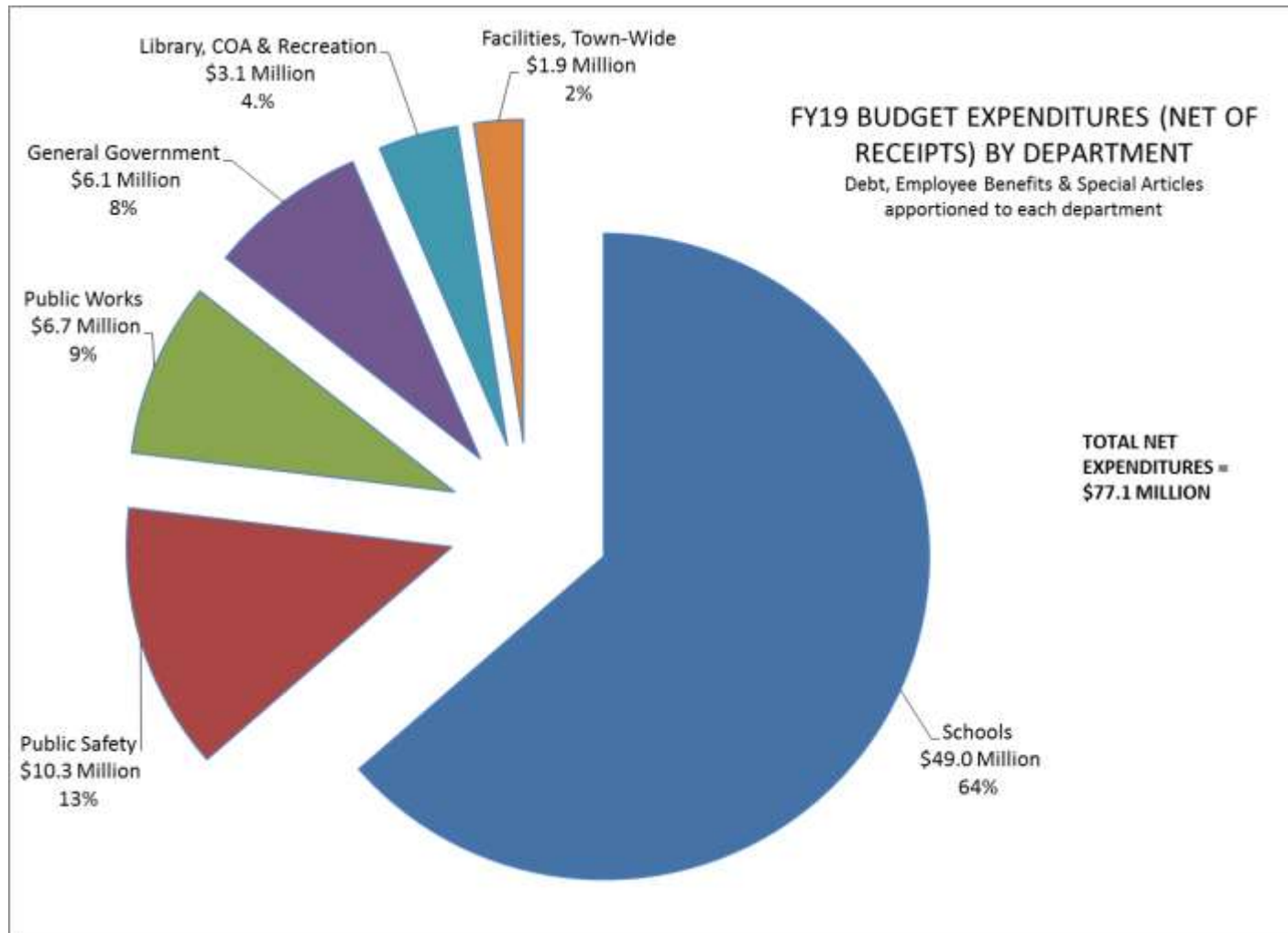
Median Property Value \$1,173,300

	FY14	FY15	FY16	FY17	FY18	FY19 <i>(estimated)</i>
Base Property Tax	\$10,999	\$11,572	\$11,907	\$12,262	\$12,506	\$13,117
Allowable 2.5% increase/new growth	486	545	508	570	593	364
Excluded debt (prior and new)	1,459	1,376	1,593	1,582	1,579	1,549
Proposition 2 1/2 override	-	-	-	-	-	-
Community Preservation Act surcharge	350	368	384	395	403	412
Total Tax Bill	\$13,294	\$13,861	\$14,392	\$14,809	\$15,081	\$15,442

How Your Tax Dollars Are Spent

Schools & Minuteman Tech	\$9,554	61.9%
Public Safety	2,008	13.0%
Public Works	1,316	8.5%
General Government	795	5.2%
Library & Recreation	596	3.8%
Facilities, Town-Wide	368	2.4%
Finance	324	2.1%
Health & Human Services	69	0.4%
Planning & Land Use	(0)	0.0%
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	\$15,030	97.3%
CPA Surcharge	\$412	2.7%
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Total - Median Property Tax Bill	\$15,442	100.0%

How Your Tax Dollars Are Spent



Enterprise Fund Budgets

Water Enterprise (funded from water fees):

	Appropriated FY18	Recommended FY19
Salaries	\$289,926	\$297,358
Expenses	231,155	229,280
MWRA Assessment/Water Purchases	2,867,800	2,547,457
Debt Service (Non-Exempt)	552,084	531,097
Capital Outlay	67,500	124,850
Total	\$4,008,465	\$3,730,042

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 FY18	Recommended FY19
Salaries	\$1,171,732	\$1,204,153
Expenses	478,139	487,850
Community Center	<u>82,050</u>	<u>78,850</u>
Total	\$1,731,921	\$1,770,853

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 FY18	Recommended FY19
Salaries	\$192,585	\$201,116
Expenses	379,180	383,250
Repairs and Replacements+	146,768	155,574
Payment in Lieu of Taxes	23,365	23,949
Capital Improvements+	100,000	140,000
Debt Service	273,773	265,133
Total	\$1,115,671	\$1,169,022

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 but inflation is now increasing and will affect future negotiations
- ❑ Regular survey of salaries in comparable communities

Collective Bargaining – Negotiated Range of Increases

FY19	1 – 2%
FY18	1.25 – 2%
FY17	1.5 – 2%
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
- 636 benefit eligible employees – 75% have Town health insurance (72% family/28% individual)
- 34 family plans & 446 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
- 236 retirees/surviving spouses collect a pension
- Of 236 superannuation retirees:
 - 52% = less than \$20,000
 - 37% = \$20,000-\$49,999
 - 11% = \$50,000 - \$125,000

Energy Savings

- ❑ Weston achieved “Green Community” status in 2011
- ❑ Solar PV Panels at landfill produce savings in electricity costs of approximately 25% or \$315,000 annually. In addition, solar panels on DPW roof are expected to produce annual savings of \$21,000
- ❑ Facilities projects undertaken to save energy - goal of 20% reduction in 5 years
- ❑ Purchase of street lights from Eversource– budget reduced from \$129k to \$38k
- ❑ Commitment to purchase more fuel efficient vehicles

Working Efficiently: School & Municipal Collaboration

- Town-wide Facilities Director, Deputy Director and Permanent Building Committee
- School Director of Technology & Libraries and Municipal IT Director leverage expertise and resources between departments
- 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 28)

Elderly & Low Income Programs: Tax and Fee Relief

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

Fiscal Year 2020 Outlook

- Long-term liabilities such as OPEB (retiree health insurance - \$65 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 FY20 indicate a potential budget shortfall of \$450,000.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Weston
Massachusetts**

For the Fiscal Year Beginning

July 1, 2017

Christopher P. Morill

Executive Director